*This Official Statement has been prepared on behalf of the Colorado Housing and Finance Authority (the "Authority") to provide information on the Offered Bonds. This cover page contains certain information for quick reference only. It is not a summary of the Offered Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used herein and not defined have the meanings specified in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE" in Appendix A-1 to this Official Statement and "CERTAIN DEFINITIONS WITH RESPECT TO ADJUSTABLE RATE BONDS IN THE WEEKLY MODE" in Appendix A-2 to this Official Statement.*

# $200,000,000
# COLORADO HOUSING AND FINANCE AUTHORITY
## Single Family Mortgage Bonds

| $9,500,000 Class I Bonds 2025 Series I (AMT) (Social Bonds) | $60,000,000 Class III Bonds 2025 Series J (Non-AMT) (Social Bonds) | $83,075,000 Class I Bonds 2025 Series K-1 (Federally Taxable) (Social Bonds) | $47,425,000 Class I Adjustable Rate Bonds 2025 Series K-2 (Federally Taxable) (Social Bonds) |
|---|---|---|---|

| | |
|---|---|
| *Purpose of the Offered Bonds* | Proceeds of the Offered Bonds, together with other available funds, will be used to: (a) refund certain obligations of the Authority which will make funds available to finance, together with other proceeds of the Offered Bonds, the purchase of certain mortgage backed securities guaranteed by (i) GNMA, (ii) Fannie Mae or (iii) Freddie Mac and backed by mortgage loans, (b) finance Second Mortgage Loans, (c) fund a deposit to the 2025 Series IJK subaccount of the Revenue Fund held under the Indenture, and (d) pay costs of issuance of the Offered Bonds in accordance with the Indenture. See "PART I—TERMS OF THE OFFERED BONDS—Purposes of the Offered Bonds" herein for additional information. The 2025IJK MBS are expected to consist entirely of GNMA MBS. |
| *Tax Matters* | In the opinion of Kutak Rock LLP, Bond Counsel, interest on the 2025 Series I Bonds and the 2025 Series J Bonds is excludable from gross income for federal income tax purposes, subject to certain conditions and assumptions described herein under the heading "TAX MATTERS." Furthermore, in the opinion of Bond Counsel interest on the 2025 Series I Bonds is a specific preference item for purposes of the federal alternative minimum tax applicable to individuals, and interest on the 2025 Series J Bonds is not a specific preference item for purposes of the federal alternative minimum tax applicable to individuals. Interest on the 2025 Series I Bonds and the 2025 Series J Bonds may affect the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the 2025 Series K Bonds is included in gross income for federal income tax purposes. Furthermore, in the opinion of Bond Counsel, the Offered Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation by the State of Colorado or any political subdivision or other instrumentality of the State of Colorado under Colorado laws in effect as of the date of delivery of the Offered Bonds. See "PART I—TAX MATTERS" herein for additional information. |
| *Redemption* | The Offered Bonds are subject to redemption prior to their respective stated maturities at the times, under the conditions, and at the prices set forth herein. See "PART I—TERMS OF THE OFFERED BONDS" herein for additional information. |
| *Security* | The Master Indenture provides for four classes of Bonds thereunder: Class I, Class II, Class III and Class IV Bonds. The 2025 Series I Bonds, the 2025 Series K-1 Bonds and the 2025 Series K-2 Bonds are being issued as Class I Bonds, which are special, limited obligations of the Authority payable solely from the revenues, assets and moneys pledged under the Master Indenture as described herein on an equal and ratable basis with all other Class I Obligations now or hereafter outstanding under the Master Indenture. The 2025 Series J Bonds are being issued as Class III Bonds, which are special, limited obligations of the Authority payable solely from the revenues, assets and moneys pledged under the Master Indenture as described herein on an equal and ratable basis with all other Class III Obligations now or hereafter outstanding under the Master Indenture, on a basis subordinate to the Class I and Class II Obligations. The 2025 Series J Bonds are also payable as General Obligations of the Authority. **In no event shall the Offered Bonds constitute an obligation or liability of the State of Colorado or any political subdivision thereof other than the Authority. The Authority has no taxing power nor does it have the power to pledge the general credit or taxing power of the State of Colorado or any political subdivision thereof (other than the general credit of the Authority, which general credit is only being pledged for the payment of the 2025 Series J Bonds).** See "SECURITY FOR THE BONDS" herein for additional information. |
| *Interest Payment Dates* | May 1 and November 1, commencing on November 1, 2025, on any redemption date and maturity. |
| *Denominations* | The 2025 Series I Bonds, 2025 Series J Bonds and the 2025 Series K-1 Bonds (the "Fixed Rate Offered Bonds") will be issued in denominations of $5,000 or any integral multiples thereof. The 2025 Series K-2 Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess of $100,000. |
| *Delivery Date/Dated Date* | July 16, 2025 |
| *Bond Counsel* | Kutak Rock LLP |
| *Underwriters' Counsel* | Dorsey & Whitney LLP |
| *Disclosure Counsel* | Kutak Rock LLP |
| *Trustee and Paying Agent* | Zions Bancorporation, National Association |
| *Remarketing Agent* | BofA Securities, Inc. |
| *Book-Entry-Only System* | The Depository Trust Company. See APPENDIX H herein. |

The 2025 Series K-2 Bonds are being issued in the Weekly Mode and are subject to optional and mandatory tender as described herein. Payment of the purchase price for 2025 Series K-2 Bonds tendered for purchase and not remarketed or for which remarketing proceeds are not available will be supported by a Standby Bond Purchase Agreement (the "**Initial 2025K-2 Liquidity Facility**") among the Authority, Bank of America, N.A. (the "**2025K-2 Liquidity Facility Provider**") and Zions Bancorporation, National Association, as paying agent thereunder. Coverage under the Initial 2025K-2 Liquidity Facility, unless extended or earlier terminated, is stated to expire on July 14, 2028. **Under certain circumstances described herein, the obligation of the 2025K-2 Liquidity Facility Provider to purchase the 2025 Series K-2 Bonds tendered for purchase under the Initial 2025K-2 Liquidity Facility or subject to mandatory purchase may be suspended or terminated and, in some of such circumstances, the suspension or termination of such obligation will be immediate and without notice to such owners. In such event of immediate suspension or termination, sufficient funds may not be available to purchase such 2025 Series K-2 Bonds.** Certain legal matters will be passed upon for the 2025K-2 Liquidity Facility Provider by Chapman and Cutler LLP.

*This Official Statement contains information with respect to the 2025 Series K-2 Bonds only while such Bonds bear interest at the Weekly Rate and while the Initial 2025K-2 Liquidity Facility is in effect.*

The Offered Bonds are offered when, as and if issued and delivered to the firms listed below (the "**Underwriters**"), subject to the approval of legality by Kutak Rock LLP, Bond Counsel to the Authority, and certain other conditions.

**BofA Securities**†

**Jefferies** **RBC Capital Markets**

**Barclays** **Morgan Stanley** **Piper Sandler** **Raymond James** **Stifel** **Wells Fargo Securities**

This Official Statement is dated June 12, 2025.

† Sole underwriter of the 2025 Series K-2 Bonds is BofA Securities, Inc.

## MATURITY SCHEDULE

**COLORADO HOUSING AND FINANCE AUTHORITY**
**Single Family Mortgage Bonds**
(CUSIP six digit issuer no. 19648G[†])

**$9,500,000**
**Class I Bonds**
**2025 Series I**
**(AMT) (Social Bonds)**

$1,965,000 Class I Serial Bonds

| Maturity | Principal Amount | Interest Rate | Price | CUSIP[†] | Maturity | Principal Amount | Interest Rate | Price | CUSIP[†] |
|---|---|---|---|---|---|---|---|---|---|
| May 1, 2026 | $300,000 | 3.750% | 100.000% | J37 | November 1, 2027 | $330,000 | 3.900% | 100.000% | J60 |
| November 1, 2026 | 320,000 | 3.800 | 100.000 | J45 | May 1, 2028 | 340,000 | 3.950 | 100.000 | J78 |
| May 1, 2027 | 325,000 | 3.850 | 100.000 | J52 | November 1, 2028 | 350,000 | 4.000 | 100.000 | J86 |

$7,535,000 5.150% Class I Term Bonds due May 1, 2040 – Price: 100.000 % CUSIP[†]: J94

**$60,000,000**
**Class III Bonds**
**2025 Series J**
**(Non-AMT) (Social Bonds)**

$60,000,000 6.250% Class III Term Bonds due May 1, 2055 – Price: 110.653% (the "**PAC Bonds**") CUSIP[†]: K27

[†] CUSIP data herein is provided by the CUSIP Service Bureau of CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau database. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the applicable Offered Bonds. None of the Authority, the Underwriters, the Municipal Advisor or the Trustee is responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Offered Bonds or as indicated above.

**$83,075,000**
**Class I Bonds**
**2025 Series K-1**
**(Federally Taxable) (Social Bonds)**

$16,190,000 Class I Serial Bonds

| Maturity | Principal Amount | Interest Rate | Price | CUSIP† | Maturity | Principal Amount | Interest Rate | Price | CUSIP† |
|---|---|---|---|---|---|---|---|---|---|
| May 1, 2026 | $ 695,000 | 4.341% | 100.000% | K35 | November 1, 2029 | $1,245,000 | 4.658% | 100.000% | L26 |
| November 1, 2026 | 1,160,000 | 4.341 | 100.000 | K43 | May 1, 2030 | 1,240,000 | 4.708 | 100.000 | L34 |
| May 1, 2027 | 1,160,000 | 4.361 | 100.000 | K50 | November 1, 2030 | 1,235,000 | 4.758 | 100.000 | L42 |
| November 1, 2027 | 1,175,000 | 4.391 | 100.000 | K68 | May 1, 2031 | 1,175,000 | 4.948 | 100.000 | L59 |
| May 1, 2028 | 1,155,000 | 4.436 | 100.000 | K76 | November 1, 2031 | 1,175,000 | 4.998 | 100.000 | L67 |
| November 1, 2028 | 1,125,000 | 4.506 | 100.000 | K84 | May 1, 2032 | 1,205,000 | 5.068 | 100.000 | L75 |
| May 1, 2029 | 1,240,000 | 4.608 | 100.000 | K92 | November 1, 2032 | 1,205,000 | 5.118 | 100.000 | L83 |

$2,440,000 6.000% Class I Term Bonds due November 1, 2033 – Price: 104.671% CUSIP†: L91

$2,520,000 6.000% Class I Term Bonds due November 1, 2034 – Price: 104.023% CUSIP†: M25

$6,315,000 5.560% Class I Term Bonds due November 1, 2037 – Price: 99.113% CUSIP†: M33

$8,280,000 5.910% Class I Term Bonds due November 1, 2040 – Price: 100.000% CUSIP†: M41

$24,790,000 6.087% Class I Term Bonds due November 1, 2045 – Price: 100.000% CUSIP†: M58

$22,540,000 6.500% Class I Term Bonds due November 1, 2055 – Price: 105.312% (the "**PAC Bonds**") CUSIP†: M66

**$47,425,000**
**Class I Adjustable Rate Bonds**
**2025 Series K-2**
**(Federally Taxable) (Social Bonds)**

$47,425,000 of Class I Adjustable Rate Bonds due November 1, 2055 – Price: 100.000% CUSIP†: H96

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No dealer, broker, salesperson or other person has been authorized by the Colorado Housing and Finance Authority (the "Authority") or by the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder, under any circumstances, creates any implication that there has been no change in the affairs of the Authority or otherwise since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Offered Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement has been furnished by the Authority and obtained from other sources believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities 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, and it is not to be construed as the promise or guarantee of the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

All information for investors regarding the Authority and the Offered Bonds is contained in this Official Statement. While the Authority maintains an internet website for various purposes, none of the information on this website is intended to assist investors in making any investment decision or to provide any continuing information (except in the case of the limited information provided in the section entitled "For Investors") with respect to the Offered Bonds, the Mortgage Loans, the MBS or any other bonds or obligations of the Authority. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the readers' convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

THE PRICE AT WHICH THE OFFERED BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELD RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICE APPEARING ON THE INSIDE FRONT COVER HEREOF.

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

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

**The 2025K-2 Liquidity Facility Provider has not prepared or assisted in the preparation of this Official Statement, including any financial information included herein or attached hereto and the 2025K-2 Liquidity Facility Provider has no responsibility for the form and content of this Official Statement or any information omitted herefrom, other than solely with respect to the information describing 2025K-2 Liquidity Facility Provider under the heading "**CERTAIN INFORMATION CONCERNING THE 2025K-2 LIQUIDITY FACILITY PROVIDER**", and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing the 2025K-2 Liquidity Facility Provider under the heading "**CERTAIN INFORMATION CONCERNING THE 2025K-2 LIQUIDITY FACILITY PROVIDER**." Accordingly, the 2025K-2 Liquidity Facility Provider disclaims responsibility for the other information in this Official Statement or otherwise made in connection with the offering of the Offered Bonds.**

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

**This Official Statement is comprised of the front cover page, Parts I and II and the Appendices.**

## PART I TABLE OF CONTENTS


INTRODUCTION....I-1
- Colorado Housing and Finance Authority....I-2
- Authority for Issuance....I-2
- Purposes of the Offered Bonds....I-2
- Description of the Offered Bonds....I-2
- Security and Sources of Payment....I-3
- Investment Considerations....I-4
- Additional Information....I-5

DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS....I-5
- General....I-5
- Social Bonds Designation....I-5
- Independent Second Party Opinion on Social Bonds Designation and Disclaimer....I-5

TERMS OF THE OFFERED BONDS....I-6
- General Terms....I-6
- Interest—General....I-7
- Prior Redemption....I-8
- Description of the 2025 Series K-2 Bonds....I-18
- Tender and Purchase of 2025 Series K-2 Bonds....I-20

PLAN OF FINANCE....I-24
- Sources and Uses of Funds....I-24
- Related Interest Rate Contract....I-24

CERTAIN PROGRAM ASSUMPTIONS....I-25
- Generally....I-25
- Characteristics of 2025IJK MBS....I-25
- 2025IJK Second Mortgage Loans....I-26
- Debt Service Reserve Fund Requirement....I-26

TAX MATTERS....I-26
- Federal Tax Matters With Respect to the 2025 Series I Bonds and 2025 Series J Bonds....I-26
- Federal Tax Matters With Respect to the 2025 Series K Bonds....I-29
- Backup Withholding....I-32
- State Tax Matters With Respect to the Offered Bonds....I-33
- Changes to Federal and State Tax Law....I-33

REMARKETING AGENTS....I-33
- The Remarketing Agent for 2025 Series K-2 Bonds....I-33
- Remarketing Agents for Adjustable Rate Bonds....I-34
- The Remarketing Agents Are Paid by the Authority....I-35
- The Remarketing Agents May Purchase Bonds for Their Own Account....I-35
- Bonds May Be Offered at Different Prices on Any Date....I-36
- The Ability To Sell Bonds Other Than Through Tender Process May Be Limited....I-36

UNDERWRITING....I-36
LITIGATION....I-38
RATING....I-38
MUNICIPAL ADVISOR....I-39
LEGAL MATTERS....I-39
AVAILABILITY OF CONTINUING INFORMATION....I-39
CERTAIN RELATIONSHIPS OF PARTIES....I-39
NO IMPAIRMENT OF CONTRACT BY THE STATE....I-40
LEGALITY FOR INVESTMENT AND SECURITY FOR DEPOSITS....I-41
INDEPENDENT AUDITORS....I-41
MISCELLANEOUS....I-41


## PART II TABLE OF CONTENTS


COLORADO HOUSING AND FINANCE AUTHORITY....II-1
- Background....II-1
- Board of Directors and Management....II-1
- Board of Directors of the Authority....II-2
- Employees and Pension Information....II-4
- Insurance Coverage....II-4
- Selected Financial Information....II-5
- The General Fund....II-8
- Authority Policy Regarding Swaps....II-10
- Programs to Date....II-10
- Obligations of the Authority....II-13

SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS....II-17
- Pledge of Trust Estate....II-17
- Revenues....II-18
- The Mortgage Loans and the Mortgage-Backed Securities....II-19
- Debt Service Reserve Fund....II-21
- Liquidity Facilities....II-22
- Interest Rate Contracts....II-23
- Issuance of Additional Bonds; Auxiliary Obligations....II-23
- Selected Financial Information With Respect to the Master Indenture....II-23

CERTAIN BONDOWNERS' RISKS....II-25
- Limited Security....II-25
- Special Considerations Relative to Loan/MBS Origination....II-25
- Considerations Regarding Redemption at Par....II-26
- Risks Related to the Liquidity Facility Providers and the Liquidity Facilities....II-26
- Risks Related to Interest Rate Contracts....II-27
- Delays After Defaults on Mortgage Loans....II-28
- Information Security and Privacy Risks....II-28
- Business Disruption Risk....II-29
- Other Risks....II-29

THE SINGLE FAMILY MORTGAGE PROGRAM....II-29
- Background....II-29
- Communication of Program Information....II-30
- Locks, Delivery and Acquisition of Mortgage Loans....II-30
- Eligibility Requirements....II-31
- Additional Eligibility Requirements for Tax-Exempt Mortgage Loans....II-32
- Mortgage Purchase Agreement....II-32
- Seller's Guide....II-33
- Early Payoff Penalty....II-33
- Servicing of the Mortgage Loans....II-33
- Loss Mitigation....II-34
- Hazard Insurance....II-34
- Program Features....II-34

## APPENDICES


| | |
|---|---|
| APPENDIX A-1 | SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE |
| APPENDIX A-2 | CERTAIN DEFINITIONS WITH RESPECT TO ADJUSTABLE RATE BONDS IN THE WEEKLY MODE |
| APPENDIX B-1 | THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS |
| APPENDIX B-2 | THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES |
| APPENDIX C | SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY |
| APPENDIX D | CERTAIN INFORMATION CONCERNING THE 2025K-2 LIQUIDITY FACILITY PROVIDER |
| APPENDIX E | FORM OF 2025IJK BOND COUNSEL OPINION |
| APPENDIX F | CLASS ASSET REQUIREMENTS FOR BONDS |
| APPENDIX G | ANNUAL FINANCIAL REPORT (WITH INDEPENDENT AUDITORS' REPORT THEREON) DECEMBER 31, 2024 AND 2023 |
| APPENDIX H | BOOK-ENTRY SYSTEM |
| APPENDIX I | INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE |
| APPENDIX J | FORM OF CONTINUING DISCLOSURE UNDERTAKING |
| APPENDIX K-1 | GNMA MORTGAGE-BACKED SECURITIES PROGRAM |
| APPENDIX K-2 | FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM |
| APPENDIX K-3 | FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM |
| APPENDIX L | USE OF PROCEEDS REPORT |
| APPENDIX M | KESTREL'S SECOND PARTY OPINION |

**OFFICIAL STATEMENT**

**$200,000,000**
**COLORADO HOUSING AND FINANCE AUTHORITY**
**Single Family Mortgage Bonds**

| **$9,500,000** | **$60,000,000** | **$83,075,000** | **$47,425,000** |
|---|---|---|---|
| **Class I Bonds** | **Class III Bonds** | **Class I Bonds** | **Class I Adjustable Rate Bonds** |
| **2025 Series I** | **2025 Series J** | **2025 Series K-1** | **2025 Series K-2** |
| **(AMT)** | **(Non-AMT)** | **(Federally Taxable)** | **(Federally Taxable)** |
| **(Social Bonds)** | **(Social Bonds)** | **(Social Bonds)** | **(Social Bonds)** |

## PART I

## INTRODUCTION

This Official Statement, which includes the front cover page, this Part I, Part II and the Appendices hereto, provides certain information concerning the Colorado Housing and Finance Authority (the "**Authority**") and otherwise in connection with the offer and sale by the Authority of the above captioned Single Family Mortgage Bonds, 2025 Series I (the "**2025 Series I Bonds**"), Single Family Mortgage Bonds, 2025 Series J (the "**2025 Series J Bonds**"), Single Family Mortgage Bonds, 2025 Series K-1 (the "**2025 Series K-1 Bonds**") and Single Family Mortgage Bonds, 2025 Series K-2 (the "**2025 Series K-2 Bonds**" and, together with the 2025 Series I Bonds, 2025 Series J Bonds and the 2025 Series K-1 Bonds, the "**Offered Bonds**"). The 2025 Series I Bonds, 2025 Series J Bonds and the 2025 Series K-1 Bonds are referred to herein as the "**Fixed Rate Offered Bonds**." The Offered Bonds are being issued pursuant to the Master Indenture of Trust dated as of October 1, 2001, as amended (the "**Master Indenture**"), and the 2025IJK Series Indenture dated as of July 1, 2025 (the "**2025IJK Series Indenture**" and, together with the Master Indenture, the "**Indenture**"), each between the Authority and Zions Bancorporation, National Association (formerly, Zions First National Bank), as Trustee (the "**Trustee**"). Capitalized terms used herein and not defined have the meanings specified in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE" in Appendix A-1 to this Official Statement and "CERTAIN DEFINITIONS WITH RESPECT TO ADJUSTABLE RATE BONDS IN THE WEEKLY MODE" in Appendix A-2 to this Official Statement.

*This Part I provides a description of the terms of the Offered Bonds, the sources and uses of funds in connection with the Offered Bonds, certain program assumptions and other matters specifically related to the offering and issuance of the Offered Bonds. Part II provides general background information about the Authority, a description of the assets and moneys in the Trust Estate pledged to secure all of the Bonds issued, and which in the future may be issued, under the Master Indenture (including the Offered Bonds), certain risks associated with such Bonds and such Trust Estate and an overview of the Authority's Single Family Mortgage Program pursuant to which Mortgage Loans relating to the Trust Estate (either individually or supporting mortgage-backed securities ("**MBS**")) have been and will be purchased.*

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by the information contained in, the entire Official Statement, including the front cover page, this Part I, Part II hereof and the Appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of the Offered Bonds to potential investors is made only by means of this entire Official Statement. This Official Statement does not constitute a contract between the Authority or the Underwriters and any one or more owners of the Offered Bonds.

**Colorado Housing and Finance Authority**

The Authority is a body corporate and political subdivision of the State of Colorado (the "**State**") established by the Colorado General Assembly for the purposes, among others, of increasing the supply of decent, safe and sanitary housing for low- and moderate-income families and promoting economic growth and development in the State. In order to achieve its authorized purposes, the Authority currently operates numerous housing, rental and business finance programs. See "PART II—COLORADO HOUSING AND FINANCE AUTHORITY." The Authority is governed by a Board of Directors and is authorized to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes. Proceeds of the Offered Bonds may not be used to finance any activities of the Authority other than those related to the Single Family Mortgage Program. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." *For financial information concerning the Authority, see "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Selected Financial Information" and the financial statements attached as Appendix G hereto.*

**Authority for Issuance**

The Offered Bonds are authorized to be issued pursuant to the Colorado Housing and Finance Authority Act, being Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "**Act**"), and the Supplemental Public Securities Act, being Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes. The Offered Bonds are being issued and secured under the Indenture.

**Purposes of the Offered Bonds**

Proceeds of the Offered Bonds, together with other available funds, are expected to be used to: (a) refund certain obligations of the Authority which will make funds available to finance, together with other proceeds of the Offered Bonds, Mortgage Loans (or participations therein) (the "**2025IJK First Mortgage Loans**") indirectly through the acquisition of certain portfolios of (i) mortgage-backed securities (the "**2025IJK GNMA MBS**") guaranteed by the Government National Mortgage Association ("**GNMA**"), (ii) mortgage-backed securities (the "**2025IJK Fannie Mae MBS**") guaranteed by the Federal National Mortgage Association ("**Fannie Mae**"), or (iii) mortgage-backed securities (the "**2025IJK Freddie Mac MBS**", and together with the 2025IJK GNMA MBS and the 2025IJK Fannie Mae MBS, the "**2025IJK MBS**") guaranteed by the Federal Home Loan Mortgage Corporation ("**Freddie Mac**"), (b) finance certain Second Mortgage Loans (the "**2025IJK Second Mortgage Loans**"), (c) fund a deposit to the 2025 Series IJK subaccount of the Revenue Fund and (d) pay the costs of issuance in connection with the Offered Bonds. The 2025IJK First Mortgage Loans and the 2025IJK Second Mortgage Loans are referred to herein, collectively, as the "**2025IJK Mortgage Loans**." The 2025IJK Mortgage Loans will be originated under the Authority's Qualified Single Family Mortgage Program. See "PART II – THE SINGLE FAMILY MORTGAGE PROGRAM".

**Description of the Offered Bonds**

***Interest Rates and Payments; Authorized Denominations***. Interest on the Fixed Rate Offered Bonds is payable at the rates shown on the inside front cover hereof on November 1, 2025 and thereafter semiannually on May 1 and November 1 of each year, to be computed on the basis of a 360 day year of twelve 30 day months. See "PART I—TERMS OF THE OFFERED BONDS—General Terms." The Fixed Rate Offered Bonds are to be issued in denominations of $5,000 and any integral multiple thereof. Principal of the Fixed Rate Offered Bonds is payable in the amounts and on the dates shown on the inside front cover hereof, subject to prior redemption.

The 2025 Series K-2 Bonds initially will bear interest at a Weekly Rate. While in a Weekly Mode, interest on the 2025 Series K-2 Bonds will be determined and adjusted weekly, payable semiannually on May 1 and November 1 of each year, commencing November 1, 2025, as described in "PART I—TERMS OF THE OFFERED BONDS—Interest-General—2025 Series K-2 Bonds" and will be computed on the basis of a 365 day year or a 366 day year, as applicable, for the number of days actually elapsed. The 2025 Series K-2 Bonds bearing interest at a Weekly Rate are to be issued in authorized denominations of $100,000 or integral multiples of $5,000 in excess of $100,000. Principal of the 2025 Series K-2 Bonds is payable in the amount and on the date shown on the inside front cover hereof, subject to prior redemption or purchase. The Authority may change the interest rate mode with respect to the 2025 Series K-2 Bonds from the Weekly Mode to the Daily Mode, Term Rate Mode or Fixed Rate Mode. **THIS OFFICIAL STATEMENT PROVIDES INFORMATION RELATING TO THE 2025 SERIES K-2 BONDS ONLY WHILE THEY BEAR INTEREST IN THE WEEKLY MODE AND ARE SUPPORTED BY THE INITIAL 2025K-2 LIQUIDITY FACILITY AND DOES NOT PROVIDE ANY INFORMATION REGARDING THE 2025 SERIES K-2 BONDS AFTER THE DATE, IF ANY, ON WHICH SUCH BONDS ARE CONVERTED TO A DIFFERENT INTEREST RATE MODE OR AN ALTERNATIVE LIQUIDITY FACILITY IS SUBSTITUTED FOR THE INITIAL 2025K-2 LIQUIDITY FACILITY. IF ANY OF THE 2025 SERIES K-2 BONDS ARE CONVERTED TO A MODE OTHER THAN THE WEEKLY MODE OR AN ALTERNATE LIQUIDITY FACILITY IS SUBSTITUTED FOR THE INITIAL 2025K-2 LIQUIDITY FACILITY, A REOFFERING DOCUMENT WILL BE PREPARED IN CONNECTION WITH SUCH CONVERSION OR CHANGE IN MODE OR SUBSTITUTION.**

***Redemption and Tender***. Certain of the Offered Bonds are subject to special, optional and mandatory sinking fund redemption prior to maturity. The 2025 Series K-2 Bonds are also subject to optional and mandatory tender for purchase, as described under "PART I—TERMS OF THE OFFERED BONDS." See "PART II—CERTAIN BONDOWNERS' RISKS—Considerations Regarding Redemption at Par."

**Security and Sources of Payment**

All Bonds and Auxiliary Obligations outstanding under the Master Indenture (other than Auxiliary Obligations which are General Obligations of the Authority) will be secured by and payable from all of the Authority's rights and interests in and to the revenues, assets and moneys pledged under the Master Indenture, in particular the Revenues, the Mortgage Loans and the MBS (collectively, the "**Trust Estate**"). See "PART I—CERTAIN PROGRAM ASSUMPTIONS," "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS" and **Appendix B-2**—"THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES." In accordance with the Master Indenture, any Bonds or Auxiliary Obligations may be outstanding as Class I, Class II, Class III or Class IV Obligations and may also be designated as General Obligations of the Authority. As of May 1, 2025, Bonds issued under the Master Indenture were outstanding in an aggregate principal amount of $4,180,523,992, including $3,592,358,992 of Class I Bonds, $412,405,000 of Class II Bonds and $175,760,000 of Class III Bonds. No Class IV Bonds were outstanding under the Master Indenture as of such date. Subsequent to May 1, 2025, the Authority issued under the Indenture $9,500,000 in aggregate principal amount of its Single Family Mortgage Bonds Class I Bonds 2025 Series E (the "2025 Series E Bonds"), $45,500,000 in aggregate principal amount of its Single Family Mortgage Bonds Class I Bonds 2025 Series F (the "2025 Series F Bonds"), $57,190,000 in aggregate principal amount of its Single Family Mortgage Bonds Class I Bonds 2025 Series G-1 (the "2025 Series G-1 Bonds") and $37,810,000 in aggregate principal amount of its Single Family Mortgage Bonds Class I Adjustable Rate Bonds 2025 Series G-2 (the "2025 Series G-2 Bonds" and, together with the 2025 Series E Bonds, the 2025 Series F Bonds and the 2025 Series G-1 Bonds, the "2025 Series EFG Bonds"), $158,240,000 in aggregate principal amount of its Single Family Mortgage Bonds Class I Bonds 2025 Series H-1 (the "2025 Series H-1 Bonds") and $41,760,000 in aggregate principal amount of its Single

Family Mortgage Bonds Class I Adjustable Rate Bonds 2025 Series H-2 (the "2025 Series H-2 Bonds" and together with the 2025 Series H-1 Bonds, the "2025 Series H Bonds"). See "PART I—PLAN OF FINANCE" and Appendix B 1—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS."

The 2025 Series I Bonds, 2025 Series K-1 Bonds and 2025 Series K-2 Bonds, as described on the front cover hereof, are being issued as Class I Obligations pursuant to the Indenture and will be payable and secured by the Trust Estate as described herein. The 2025 Series J Bonds are being issued as Class III Obligations pursuant to the Indenture and will be payable and secured by the Trust Estate as described herein, on a basis subordinate to the Class I Obligations and Class II Obligations. The 2025 Series J Bonds are also being designated as general obligations of the Authority. As part of the Trust Estate, the Offered Bonds will be secured by the Debt Service Reserve Fund established under the Master Indenture. There is no Debt Service Reserve Fund Requirement with respect to the Offered Bonds. None of the Offered Bonds are being issued as Class IV Obligations. The 2025 Series I Bonds, 2025 Series K-1 Bonds and 2025 Series K-2 Bonds are not being designated as General Obligations of the Authority. See "PART I—CERTAIN PROGRAM ASSUMPTIONS—Debt Service Reserve Fund Requirement." See "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." **In no event shall the Offered Bonds constitute an obligation or liability of the State or any political subdivision thereof other than the Authority. The Authority has no taxing power nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof (other than the general credit of the Authority, which general credit is being pledged only for payment of the 2025 Series J Bonds).**

Upon delivery of the Offered Bonds, the Authority will enter into a Standby Bond Purchase Agreement to establish an initial liquidity facility for the 2025 Series K-2 Bonds (the "**Initial 2025K-2 Liquidity Facility**") with Bank of America, N.A., as the initial standby bond purchaser (referred to herein as the "**2025K-2 Liquidity Facility Provider**"). See **Appendix C**—"SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY" and **Appendix D**—"CERTAIN INFORMATION CONCERNING THE 2025K-2 LIQUIDITY FACILITY PROVIDER." The Authority may replace the Initial 2025K-2 Liquidity Facility with a new Liquidity Facility (an "**Alternate Liquidity Facility**") in accordance with the procedures set forth in the Indenture. See "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS—LIQUIDITY FACILITIES." UNDER CERTAIN CIRCUMSTANCES, THE OBLIGATION OF THE 2025K-2 LIQUIDITY FACILITY PROVIDER TO PURCHASE THE 2025 SERIES K-2 BONDS TENDERED BY THE OWNERS THEREOF OR SUBJECT TO MANDATORY PURCHASE MAY BE SUSPENDED OR TERMINATED AND, IN SOME OF SUCH CIRCUMSTANCES, THE SUSPENSION OR TERMINATION OF SUCH OBLIGATION WILL BE IMMEDIATE, AUTOMATIC AND WITHOUT NOTICE TO SUCH OWNERS. IN SUCH EVENT OF IMMEDIATE SUSPENSION OR TERMINATION, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE SUCH 2025 SERIES K-2 BONDS TENDERED BY THE OWNERS OF SUCH 2025 SERIES K-2 BONDS OR SUBJECT TO MANDATORY PURCHASE. IN ADDITION, THE INITIAL 2025K-2 LIQUIDITY FACILITY DOES NOT PROVIDE SECURITY FOR THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE 2025 SERIES K-2 BONDS. **Neither the Authority nor the Remarketing Agent is obligated to purchase 2025 Series K-2 Bonds so tendered or subject to mandatory purchase if remarketing proceeds or payments under the Initial 2025K-2 Liquidity Facility are insufficient to pay the purchase price of such 2025 Series K-2 Bonds.**

**Investment Considerations**

*The purchase and ownership of the Offered Bonds involve investment risks. Prospective purchasers of the Offered Bonds being offered by this Official Statement are urged to read this Official Statement in its entirety. For a discussion of certain such risks relating to the Offered Bonds, see "PART II—CERTAIN BONDOWNERS' RISKS."*

**Additional Information**

Additional information may be requested from the Authority's Chief Financial Officer at 1981 Blake Street, Denver, Colorado 80202, phone: (303) 297-2432.

## DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS

**General**

The Offered Bonds have been designated as "Social Bonds." Kestrel ("**Kestrel**") has provided an independent external review and opinion that the Offered Bonds conform with the four core components of the International Capital Market Association's ("**ICMA**") Social Bond Principles, and therefore qualify for Social Bonds designation. The information under the subcaptions "Social Bonds Designation" and "Independent Second Party Opinion on Social Bonds Designation and Disclaimer" below has been provided by Kestrel.

None of the Authority, the Underwriters (as defined herein), CSG Advisors Incorporated, Kutak Rock LLP or Dorsey & Whitney LLP, has independently confirmed or verified the information below or assumed any obligation to ensure that the Offered Bonds comply with any legal or other standards or principles that may be related to Social Bonds. The Authority has designated the Offered Bonds as Social Bonds based solely on Kestrel's Second Party Opinion (the "**Second Party Opinion**") which is attached hereto as **Appendix M**—KESTREL'S SECOND PARTY OPINION. The designation of the Offered Bonds as Social Bonds does not entitle the Owner of any Offered Bond to any benefit under the Internal Revenue Code. Owners of the Offered Bonds do not have any security other than as described under "PART II—SECURITY FOR THE BOND AND AUXILIARY OBLIGATIONS."

**Social Bonds Designation**

Per the ICMA, Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Social Projects and which are aligned with the four core components of the Social Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel has determined that: (a) the Offered Bonds are in conformance with the four core components of the ICMA Social Bond Principles, as described in the Second Party Opinion, and (b) the uses of the proceeds of the Offered Bonds align with the Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment eligible project categories by financing mortgages for low- and moderate-income families.

Upon the expenditure of the proceeds of the Offered Bonds deposited into the 2025 Series IJK subaccount of the Acquisition Account, the Authority expects to prepare a report regarding the 2025IJK Mortgage Loans consisting of the information set forth in APPENDIX L – USE OF PROCEEDS REPORT.

**Independent Second Party Opinion on Social Bonds Designation and Disclaimer**

For over 20 years, Kestrel has been consulting in sustainable finance. Kestrel is an Approved Verifier accredited by the Climate Bonds Initiative. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Offered Bonds. Second Party Opinions provided by Kestrel are not a recommendation to any person to purchase, hold, or sell the Offered Bonds and designations do not address the market price or suitability of the Offered Bonds for a particular investor and do not and are not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by the Authority or that was otherwise made available to Kestrel.

## TERMS OF THE OFFERED BONDS

### General Terms

***Principal Payments***. Principal of the Offered Bonds is payable in the amounts and on the dates shown on the inside front cover hereof, subject to prior redemption.

***Authorized Denominations***. The Fixed Rate Offered Bonds will be issued in denominations of $5,000 or any integral multiple thereof. The 2025 Series K-2 Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess of $100,000.

***Book-Entry System***. DTC will act as securities depository for the Offered Bonds. The ownership of one fully registered Offered Bond for each maturity as set forth on the inside cover, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. The principal or redemption price of the Offered Bonds is payable to Cede & Co. Information concerning the book-entry system provided by DTC is set forth in APPENDIX H—"BOOK-ENTRY SYSTEM." **So long as the Offered Bonds are registered in the DTC book-entry form described in Appendix H hereto, each Beneficial Owner of an Offered Bond should make arrangements with a Participant in DTC to receive notices or communications with respect to matters concerning the Offered Bonds.**

***Defeasance and Discharge***. The Master Indenture provides the Authority with the right to discharge the pledge and lien created by the Indenture with respect to any Offered Bonds by depositing with the Trustee or the Paying Agent sufficient moneys or Defeasance Securities to pay when due the principal or Redemption Price of, if applicable, and interest due and to become due on such Offered Bonds on and prior to the maturity or redemption thereof, subject to any additional covenants made in the 2025IJK Series Indenture. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Defeasance."

***Cross Calls or Recycling***. Pursuant to the Master Indenture, the Authority may, by delivery of an Authority Request to the Trustee, instruct the Trustee to transfer moneys on deposit in any subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied to the redemption of the same Class of Bonds of a different Series, subject to any additional covenants made in the applicable Series Indenture. In addition, the Master Indenture permits the Authority, by delivery of an Authority Request to the Trustee at any time prior to the giving of notice of redemption, to instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be used to make or purchase Mortgage Loans as permitted by the Master Indenture, subject to any additional covenants in the applicable Series Indenture. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Redemption Fund." The Indenture permits cross calls of any Related Series of Bonds, other than the Premium Term Bonds (defined below), with any Mortgage Repayments or Prepayments of

the 2025IJK Mortgage Loans in excess of the amounts required to redeem the 2025 Series J Bonds maturing on May 1, 2055 (the "**2025J PAC Bonds**") and the 2025 Series K-1 Bonds maturing on November 1, 2055 (the "**2025K-1 PAC Bonds**" and, together with the 2025J PAC Bonds, the "**PAC Bonds**") so as to reduce the Outstanding Aggregate Principal Amount of the respective PAC Bonds to an amount not less than the respective amounts shown in the columns entitled "100% SIFMA Outstanding Balance of 2025J PAC Bonds" and "100% SIFMA Outstanding Balance of 2025K-1 PAC Bonds" (collectively, the "**100% SIFMA Outstanding Balances**") for the applicable semiannual period as set forth in the table in "Prior Redemption—Special Redemption From Prepayments, Excess Revenues and Debt Service Reserve Fund Reductions" under this caption. In addition, cross calls of the Offered Bonds, other than the Premium Term Bonds, with any Mortgage Repayments or Prepayments on Mortgage Loans securing any Series of Bonds other than the Offered Bonds are permitted, except that no such Mortgage Repayments or Prepayments may be applied to the redemption of the PAC Bonds so as to reduce the respective Outstanding Aggregate Principal Amounts of the PAC Bonds below the respective 100% SIFMA Outstanding Balance for the applicable PAC Bonds for the applicable semiannual period.

***Purchase in Lieu of Redemption***. If Bonds of any particular Series, Class and maturity are called for redemption, upon Authority Request the Bonds so called shall be purchased in lieu of such redemption by the Trustee or Paying Agent for the account of the Authority on the date upon which such Bonds were to have been redeemed, at a purchase price not to exceed the applicable Redemption Price thereof, plus accrued interest, if any, thereon to, but not including, such date, or at any higher purchase price consistent with the most recent Cash Flow Statement. At the election of the Authority, but not otherwise, such Bonds shall be canceled by the Trustee upon such purchase in lieu of redemption. The Authority shall deliver any such Authority Request not later than the Business Day preceding the date upon which such Bonds were to have been redeemed, which Authority Request shall state the aggregate principal amount of each Series, Class and maturity of Bonds for which an election to purchase in lieu of redemption pursuant to the Master Indenture is being made, and the source of payment for such purchase in lieu of redemption. Any such purchase in lieu of redemption may be made from any moneys designated by the Authority, and, upon receipt thereof if such moneys are not already held in the Trust Estate, the Trustee shall use such moneys for such purpose. The Authority is expressly authorized to tender, and to direct the Trustee and the Paying Agent to purchase from the Authority, any Bonds for cancellation in lieu of redemption. Neither the Trustee nor the Paying Agent shall be required to advance any of their own money to make any such purchase or purchases.

Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Redemption Fund in lieu of redemption to pay the purchase price (exclusive of accrued interest) of Bonds purchased in lieu of redemption pursuant to the Master Indenture. Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Revenue Fund in accordance with the Master Indenture, from the Class I Debt Service Fund in accordance with the Master Indenture, from the Class II Debt Service Fund in accordance with the Master Indenture, from the Class III Debt Service Fund in accordance with the Master Indenture, or from the Class IV Debt Service Fund in accordance with the Master Indenture to pay accrued interest on such Bonds purchased pursuant to the Master Indenture. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE."

**Interest—General**

***The Fixed Rate Offered Bonds***. The Fixed Rate Offered Bonds will bear interest at the rates shown on the inside front cover of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. Interest on the Fixed Rate Offered Bonds will be payable on each May 1 and November 1 commencing on November 1, 2025 on any redemption date (as applicable) and at maturity.

***2025 Series K-2 Bonds***. The 2025 Series K-2 Bonds initially bear interest at a rate per annum to be determined by the Remarketing Agent, on the day prior to the date of delivery of 2025 Series K-2 Bonds to be effective to and including Tuesday, July 22, 2025 and, thereafter, on each Tuesday, to be effective from and including each Wednesday to and including the following Tuesday, in accordance with the Indenture (the "**Weekly Rate**"). The Authority may elect at any time to adjust the interest rate on the 2025 Series K-2 Bonds or any portion thereof to a Daily Rate or Term Rate or may convert such 2025 Series K-2 Bonds to bear interest at Fixed Rates until their respective maturities or prior redemption or purchase, as described under "Description of the 2025 Series K-2 Bonds" below. While the 2025 Series K-2 Bonds bear interest at a Weekly Rate, interest is payable on each May 1 and November 1 commencing on November 1, 2025, on any redemption date or Mandatory Purchase Date and on the maturity date and is to be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

*This Official Statement describes the 2025 Series K-2 Bonds only while bearing interest at a Weekly Rate and while they are supported by the Initial 2025K-2 Liquidity Facility. If any of the 2025 Series K-2 Bonds are converted to a Mode other than a Weekly Mode or an Alternative Liquidity Facility is substituted for the Initial 2025K-2 Liquidity Facility, a reoffering document will be prepared in connection with such conversion or change in Mode or substitution.*

**Prior Redemption**

**T**he 2025 Series K-1 Bonds maturing November 1, 2033 are referred to herein as the "**2025 Series K-1 2033 Premium Term Bonds**." The 2025 Series K-1 Bonds maturing November 1, 2034 are referred to herein as the "**2025 Series K-1 2034 Premium Term Bonds**." The 2025 Series K-1 2033 Premium Term Bonds and the 2025 Series K-1 2034 Premium Term Bonds are referred to herein collectively as the "**Premium Term Bonds**."

**The Premium Term Bonds are only subject to redemption as described under the captions "Prior Redemption — *Mandatory Sinking Fund Redemption for the 2025 Series IJK Term Bonds*" and "Prior Redemption — *Optional Redemption — Fixed Rate Offered Bonds"* below.**

The 2025 Series I Bonds maturing on May 1, 2040 are referred to herein as the "**2025 Series I 2040 Term Bonds**." The 2025 Series K-1 Bonds maturing on November 1, 2037 are referred to herein as the "**2025 Series K-1 2037 Term Bonds**," November 1, 2040 are referred to herein as the "**2025 Series K-1 2040 Term Bonds**" and November 1, 2045 are referred to herein as the "**2025 Series K-1 2045 Term Bonds**." The 2025 Series I 2040 Term Bonds, the Premium Term Bonds, the 2025 Series K-1 2037 Term Bonds, the 2025 Series K-1 2040 Term Bonds, the 2025 Series K-1 2045 Term Bonds, the PAC Bonds and the 2025 Series K-2 Bonds are referred to herein collectively as the "**2025 Series IJK Term Bonds**."

***Special Redemption with Unexpended Proceeds***. The Offered Bonds, other than the Premium Term Bonds, are subject to special redemption prior to their respective Maturity Dates, as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, except that the PAC Bonds sold at a premium shall be redeemed at a Redemption Price that maintains the respective original yields on the PAC Bonds (as calculated by the Authority, which calculation, once made and the Redemption Prices communicated to the Trustee, shall be conclusive on all parties), plus accrued interest to the date of redemption, on any date from amounts equal to moneys transferred from the 2025 Series IJK subaccount of the Acquisition Account to the 2025 Series IJK subaccount of the Class I Special Redemption Account and the 2025 Series IJK subaccount of the Class III Special Redemption Account, respectively. The Authority will not apply any such proceeds of the 2025 Series I Bonds or the 2025 Series J Bonds to the redemption of the 2025 Series K Bonds. The Indenture requires that the Trustee transfer amounts representing proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds equal to $250,000 or more which are not used to purchase 2025IJK Mortgage Loans and

remain on deposit in the 2025 Series IJK subaccount of the Acquisition Account pursuant to an Authority Request filed with the Trustee stating that the Authority no longer reasonably expects to apply the amount to be transferred for any such purpose. Such amounts are to be transferred not later than March 1, 2026 for the redemption of the 2025 Series I Bonds or the 2025 Series J Bonds, provided that the Indenture permits the Authority to extend such date to a later date or dates not later than January 16, 2029 as to all or any part of such moneys, if the Authority has filed with the Trustee an Authority Request specifying such later date or dates for such withdrawal, accompanied by a Cash Flow Statement (unless the principal amount and term of such extension are covered by a previous Cash Flow Statement). See "PART I—CERTAIN PROGRAM ASSUMPTIONS—Characteristics of 2025IJK GNMA MBS", "—2025IJK Second Mortgage Loans" and "PART II—CERTAIN BONDOWNERS' RISKS—Special Considerations Relative to Loan/MBS Origination."

**The Premium Term Bonds are not subject to redemption prior to maturity as described under this subheading.**

***Special Redemption from Prepayments, Excess Revenues and Debt Service Reserve Fund Reductions.*** The Offered Bonds, other than the Premium Term Bonds, are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any date, from Revenues of the 2025IJK Mortgage Loans and excess funds deposited in the 2025 Series IJK subaccount of the Class I Special Redemption Account and the 2025 Series IJK subaccount of the Class III Special Redemption Account, respectively, pursuant to the Master Indenture. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Revenue Fund." In certain cases, Mortgage Repayments and Prepayments are required under Federal tax law to be used to redeem Bonds, as described under "PART I—TAX MATTERS—Federal Tax Matters With Respect to the 2025 Series I Bonds and the 2025 Series J Bonds—General."

**The Premium Term Bonds are not subject to redemption prior to maturity as described under this subheading.**

Revenues of the 2025IJK Mortgage Loans in excess of amounts required for scheduled payments of Class I Obligations and certain Program Expenses under the Indenture, and other excess funds may, by Authority Request, be deposited in or transferred to the 2025 Series IJK subaccount of the Class III Special Redemption Account and the 2025 Series IJK subaccount of the Class I Special Redemption Account and, to the extent so deposited, applied to redeem the Offered Bonds, other than the Premium Term Bonds, as follows, to the extent permitted by Federal tax law:

FIRST: such amounts shall be deposited in or transferred to the 2025 Series IJK subaccount of the Class I Special Redemption Account and the 2025 Series IJK subaccount of the Class III Special Redemption Account and applied to redeem the PAC Bonds, on a pro rata basis, until the respective Aggregate Principal Amounts of the Outstanding PAC Bonds is not less than the respective amounts shown in the columns entitled "100% SIFMA Outstanding Balance of 2025J PAC Bonds" and "100% SIFMA Outstanding Balance of 2025K-1 PAC Bonds" (each the "**100% SIFMA Outstanding Balance**") for the applicable PAC Bonds and the applicable semiannual period as set forth in the table below;

[Remainder of page left blank intentionally]

SECOND: after applying the amounts as described in clause FIRST above, any remaining amounts may be deposited in or transferred to the 2025 Series IJK subaccount of the Class I Special Redemption Account and applied to the redemption of Offered Bonds, other than the PAC Bonds and the Premium Term Bonds, of such maturities and in such amounts as directed by the Authority (or, in the absence of such direction, on a pro rata by maturity basis) until the Aggregate Principal Amount of the Offered Bonds Outstanding is not less than the amount shown in the column "700% SIFMA Outstanding Balance of Offered Bonds" (the "**700% SIFMA Outstanding Balance**") for the applicable semiannual period as set forth in the table below; and

THIRD: after applying the amounts as described in clauses FIRST and SECOND above, any remaining amounts may be deposited in or transferred to the 2025 Series IJK subaccount of the Class I Special Redemption Account or the 2025 Series IJK subaccount of the Class III Special Redemption Account and applied to the redemption of any Offered Bonds (other than the Premium Term Bonds), including the PAC Bonds; provided that the percentage of such remaining amounts so applied to redeem PAC Bonds may not exceed the ratio of the respective Aggregate Principal Amounts of Outstanding PAC Bonds to the Aggregate Principal Amount of Outstanding Offered Bonds prior to such redemption (unless otherwise required by Federal tax law).

Such redemptions may occur at such times and with such frequency as the Authority elects, provided that any redemptions described in clause FIRST above must occur at least once during each semiannual period commencing with the semiannual period ending on November 1, 2025, to the extent moneys in the 2025 Series IJK subaccount of the Class III Special Redemption Account and the 2025 Series IJK subaccount of the Class I Special Redemption Account are legally available therefor. To the extent the PAC Bonds are to be redeemed on a date that is not a Stated Interest Payment Date, the 100% SIFMA Outstanding Balances of the respective PAC Bonds and the 700% SIFMA Outstanding Balance of Offered Bonds as set forth in the table below shall be deemed to be the respective amounts determined by interpolating such respective Outstanding Balances, using the straight-line method, by reference to the respective Outstanding Balances for the Semi-Annual Period Ending dates listed in the table below which are immediately prior to and immediately subsequent to such redemption date, and the number of calendar days elapsed since the Semi-Annual Period Ending date which is immediately prior to such redemption date.

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| Semi-Annual Period Ending | 100% SIFMA Outstanding Balance of the 2025J PAC Bonds | 100% SIFMA Outstanding Balance of the 2025K-1 PAC Bonds | 700% SIFMA Outstanding Balance of the Offered Bonds |
|---|---|---|---|
| Closing Date | $60,000,000 | $22,540,000 | $200,000,000 |
| November 1, 2025 | 60,000,000 | 22,540,000 | 200,000,000 |
| May 1, 2026 | 59,950,000 | 22,015,000 | 192,205,000 |
| November 1, 2026 | 59,625,000 | 20,375,000 | 175,985,000 |
| May 1, 2027 | 58,900,000 | 17,800,000 | 152,545,000 |
| November 1, 2027 | 55,755,000 | 16,540,000 | 124,400,000 |
| May 1, 2028 | 51,480,000 | 15,385,000 | 94,730,000 |
| November 1, 2028 | 47,105,000 | 14,170,000 | 70,215,000 |
| May 1, 2029 | 42,625,000 | 13,005,000 | 57,230,000 |
| November 1, 2029 | 38,365,000 | 11,825,000 | 51,990,000 |
| May 1, 2030 | 34,270,000 | 10,635,000 | 46,880,000 |
| November 1, 2030 | 30,565,000 | 9,235,000 | 42,140,000 |
| May 1, 2031 | 26,215,000 | 8,555,000 | 36,720,000 |
| November 1, 2031 | 22,575,000 | 7,330,000 | 31,995,000 |
| May 1, 2032 | 18,645,000 | 6,565,000 | 26,965,000 |
| November 1, 2032 | 14,940,000 | 5,710,000 | 22,115,000 |
| May 1, 2033 | 11,480,000 | 4,760,000 | 17,470,000 |
| November 1, 2033 | 8,290,000 | 3,670,000 | 13,040,000 |
| May 1, 2034 | 5,855,000 | 1,965,000 | 9,270,000 |
| November 1, 2034 | 3,710,000 | 130,000 | 5,680,000 |
| May 1, 2035 | 1,965,000 | - | 2,230,000 |
| November 1, 2035 | 305,000 | - | 305,000 |
| May 1, 2036 | - | - | - |

If Offered Bonds are redeemed from unexpended proceeds pursuant to the Indenture, then (a) each amount set forth in the "100% SIFMA Outstanding Balance of 2025J PAC Bonds" and "100% SIFMA Outstanding Balance of 2025K-1 PAC Bonds" columns in the table above shall be reduced by a fraction (i) the numerator of which is the principal amount of the respective PAC Bonds remaining Outstanding after such redemption and (ii) the denominator of which is the original principal amount of the respective PAC Bonds, rounded to the nearest $5,000 denomination, and (b) each amount set forth in the "700% SIFMA Outstanding Balance of Offered Bonds" column in the table above shall be reduced by a fraction (i) the numerator of which is the principal amount of the Offered Bonds remaining Outstanding after such redemption and (ii) the denominator of which is the original principal amount of the Offered Bonds, rounded to the nearest $5,000 denomination.

Notwithstanding the provisions of the Master Indenture:

(a) No moneys in the 2025 Series IJK subaccount of the Revenue Fund shall be deposited into the 2025 Series IJK subaccount of the Loan Recycling Account until there has been deposited into the 2025 Series IJK subaccount of the Class III Special Redemption Account and the 2025 Series IJK subaccount of the Class I Special Redemption Account amounts sufficient to redeem 2025J PAC Bonds and 2025K-1 PAC Bonds, respectively, pursuant to clause FIRST described above;

(b) Mortgage Repayments or Prepayments received in respect of the 2025IJK Mortgage Loans shall not be applied to the payment of Class I Bonds or Class III Bonds other than

the Offered Bonds (except to the extent otherwise required under the Indenture) until there has been deposited into the 2025 Series IJK subaccount of the Class III Special Redemption Account and the 2025 Series IJK subaccount of the Class I Special Redemption Account amounts sufficient to redeem 2025J PAC Bonds and 2025K-1 PAC Bonds, respectively, pursuant to clause FIRST described above for the applicable Semi Annual Period; and

(c) Moneys transferred to the 2025 Series IJK subaccount of the Class III Special Redemption Account and the 2025 Series IJK subaccount of the Class I Special Redemption Account pursuant to the Master Indenture shall not be required to be used on the earliest practicable date to redeem Offered Bonds as described above, but shall be used to redeem Offered Bonds only upon Authority Request.

Prior to each special redemption date for the Offered Bonds, the Trustee shall notify the Paying Agent and Bond Registrar of the estimated amounts of moneys available for special redemption in order to allow the Bond Registrar sufficient time to select Offered Bonds for redemption and to mail redemption notices within the time periods required by the Indenture.

**It is anticipated that moneys will be available to redeem Offered Bonds without premium in accordance with the preceding paragraphs. General information concerning prepayments on mortgage loans relating to outstanding bonds of the Authority (including the Bonds) has been filed by the Authority with and is available from EMMA (as defined herein). See "PART II—CERTAIN BONDOWNERS' RISKS—Considerations Regarding Redemption at Par." See also "PART I—TERMS OF THE OFFERED BONDS —General Terms—*Cross Calls or Recycling*."**

***Mandatory Sinking Fund Redemption for the 2025 Series IJK Term Bonds***. The 2025 Series IJK Term Bonds shall be redeemed prior to their maturity, in part, by payment of 2025 IJK Class I Sinking Fund Installments and the 2025 IJK Class III Sinking Fund Installments upon notice as provided in the Indenture and described in "Notice of Redemption" under this caption, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of such 2025 IJK Term Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date as follows:

**2025 Series I 2040 Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2036 | $825,000 | November 1, 2038 | $900,000 |
| November 1, 2036 | 830,000 | May 1, 2039 | 935,000 |
| May 1, 2037 | 840,000 | November 1, 2039 | 700,000 |
| November 1, 2037 | 945,000 | May 1, 2040[†] | 610,000 |
| May 1, 2038 | 950,000 | | |

[†] Maturity Date

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**2025 Series K-1 2033 Premium Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2033 | $1,220,000 | November 1, 2033† | $1,220,000 |

† Maturity Date

**2025 Series K-1 2034 Premium Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2034 | $1,240,000 | November 1, 2034† | $1,280,000 |

† Maturity Date

**2025 Series K-1 2037 Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2035 | $1,305,000 | November 1, 2036 | $ 875,000 |
| November 1, 2035 | 1,325,000 | May 1, 2037 | 905,000 |
| May 1, 2036 | 840,000 | November 1, 2037† | 1,065,000 |

† Maturity Date

**2025 Series K-1 2040 Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2038 | $1,115,000 | November 1, 2039 | $1,300,000 |
| November 1, 2038 | 1,160,000 | May 1, 2040 | 1,315,000 |
| May 1, 2039 | 1,125,000 | November 1, 2040† | 2,265,000 |

† Maturity Date

**2025 Series K-1 2045 Term Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2041 | $2,205,000 | November 1, 2043 | $2,525,000 |
| November 1, 2041 | 2,270,000 | May 1, 2044 | 2,565,000 |
| May 1, 2042 | 2,325,000 | November 1, 2044 | 2,625,000 |
| November 1, 2042 | 2,390,000 | May 1, 2045 | 2,680,000 |
| May 1, 2043 | 2,460,000 | November 1, 2045† | 2,745,000 |

† Maturity Date

**2025J PAC Bonds**

| Date | Class III Sinking Fund Installment | Date | Class III Sinking Fund Installment |
|---|---|---|---|
| May 1, 2026 | $ 15,000 | May 1, 2041 | $1,050,000 |
| November 1, 2026 | 110,000 | November 1, 2041 | 1,080,000 |
| May 1, 2027 | 110,000 | May 1, 2042 | 1,120,000 |
| November 1, 2027 | 115,000 | November 1, 2042 | 1,145,000 |
| May 1, 2028 | 145,000 | May 1, 2043 | 1,180,000 |
| November 1, 2028 | 205,000 | November 1, 2043 | 1,215,000 |
| May 1, 2029 | 600,000 | May 1, 2044 | 1,255,000 |
| November 1, 2029 | 680,000 | November 1, 2044 | 1,280,000 |
| May 1, 2030 | 600,000 | May 1, 2045 | 1,325,000 |
| November 1, 2030 | 605,000 | November 1, 2045 | 1,355,000 |
| May 1, 2031 | 605,000 | May 1, 2046 | 1,400,000 |
| November 1, 2031 | 605,000 | November 1, 2046 | 1,485,000 |
| May 1, 2032 | 615,000 | May 1, 2047 | 1,470,000 |
| November 1, 2032 | 625,000 | November 1, 2047 | 1,505,000 |
| May 1, 2033 | 640,000 | May 1, 2048 | 1,545,000 |
| November 1, 2033 | 655,000 | November 1, 2048 | 1,595,000 |
| May 1, 2034 | 675,000 | May 1, 2049 | 1,635,000 |
| November 1, 2034 | 695,000 | November 1, 2049 | 1,685,000 |
| May 1, 2035 | 710,000 | May 1, 2050 | 1,655,000 |
| November 1, 2035 | 735,000 | November 1, 2050 | 1,705,000 |
| May 1, 2036 | 655,000 | May 1, 2051 | 1,760,000 |
| November 1, 2036 | 675,000 | November 1, 2051 | 1,765,000 |
| May 1, 2037 | 700,000 | May 1, 2052 | 1,800,000 |
| November 1, 2037 | 745,000 | November 1, 2052 | 1,860,000 |
| May 1, 2038 | 765,000 | May 1, 2053 | 1,480,000 |
| November 1, 2038 | 785,000 | November 1, 2053 | 1,520,000 |
| May 1, 2039 | 805,000 | May 1, 2054 | 1,525,000 |
| November 1, 2039 | 865,000 | November 1, 2054 | 1,515,000 |
| May 1, 2040 | 885,000 | May 1, 2055† | 1,430,000 |
| November 1, 2040 | 1,035,000 | | |

† Maturity Date

**2025K-1 PAC Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2054 | $3,965,000 | May 1, 2055 | $5,300,000 |
| November 1, 2054 | 4,065,000 | November 1, 2055† | 9,210,000 |

† Maturity Date

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**2025 Series K-2 Bonds**

| Date | Class I Sinking Fund Installment | Date | Class I Sinking Fund Installment |
|---|---|---|---|
| May 1, 2046 | $2,735,000 | November 1, 2050 | $2,825,000 |
| November 1, 2046 | 2,280,000 | May 1, 2051 | 2,905,000 |
| May 1, 2047 | 2,315,000 | November 1, 2051 | 3,035,000 |
| November 1, 2047 | 2,380,000 | May 1, 2052 | 3,125,000 |
| May 1, 2048 | 2,455,000 | November 1, 2052 | 3,205,000 |
| November 1, 2048 | 2,525,000 | May 1, 2053 | 3,760,000 |
| May 1, 2049 | 2,600,000 | November 1, 2053 | 3,855,000 |
| November 1, 2049 | 2,675,000 | November 1, 2055† | 2,005,000 |
| May 1, 2050 | 2,745,000 | | |

† Maturity Date

Pursuant to the Master Indenture, upon any purchase pursuant to the Indenture or redemption (other than mandatory sinking fund redemption) of the Offered Bonds for which 2025 IJK Class I Sinking Fund Installments or 2025 IJK Class III Sinking Fund Installments have been established, there shall be credited toward each 2025 IJK Class I Sinking Fund Installment and 2025 IJK Class III Sinking Fund Installment thereafter to become due for such Offered Bonds an amount bearing the same ratio to such 2025 IJK Class I Sinking Fund Installment or 2025 IJK Class III Sinking Fund Installment as (a) the total principal amount of such Offered Bonds so purchased or redeemed bears to (b) the aggregate principal amount of such Offered Bonds Outstanding prior to such redemption or purchase. If, however, there shall be filed with the Trustee an Authority Request specifying a different method for crediting 2025 IJK Class I Sinking Fund Installments or 2025 IJK Class III Sinking Fund Installments upon any such purchase or redemption of such Offered Bonds and certifying that such request is consistent with the most recently filed Cash Flow Statement Related to the Offered Bonds, then such 2025 IJK Class I Sinking Fund Installments and 2025 IJK Class III Sinking Fund Installments shall be so credited as shall be provided in such Authority Request.

***Optional Redemption— Fixed Rate Offered Bonds***.

The Fixed Rate Offered Bonds maturing on and after November 1, 2033, other than the PAC Bonds, shall be subject to redemption prior to maturity at the option of the Authority from any source, on any day on or after May 1, 2033, in whole or in part in Authorized Denominations, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption.

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The PAC Bonds shall be subject to redemption prior to maturity at the option of the Authority, from any source, on any day on or after May 1, 2033, in whole or in part, in Authorized Denominations at the respective redemption prices set forth below:

| Redemption Date | 2025J PAC Bonds Redemption Price† |
|---|---|
| May 1, 2033 | 102.814% |
| November 1, 2033 | 102.494% |
| May 1, 2034 | 102.089% |
| November 1, 2034 | 101.676% |
| May 1, 2035 | 101.208% |
| November 1, 2035 | 101.049% |
| May 1, 2036 and thereafter | 100.000% |

† Any 2025J PAC Bonds optionally redeemed on a date other than a redemption date listed above will be redeemed at a redemption price calculated by the Authority using straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

| Redemption Date | 2025K-1 PAC Bonds Redemption Price† |
|---|---|
| May 1, 2033 | 101.334% |
| November 1, 2033 | 100.957% |
| May 1, 2034 | 100.655% |
| November 1, 2034 | 100.615% |
| May 1, 2035 and thereafter | 100.000% |

† Any 2025K-1 PAC Bonds optionally redeemed on a date other than a redemption date listed above will be redeemed at a redemption price calculated by the Authority using straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

***Optional Redemption—2025 Series K-2 Bonds***. While in the Weekly Mode, the 2025 Series K-2 Bonds shall be subject to redemption prior to maturity at the option of the Authority from any source, on any date, in whole or in part in Authorized Denominations, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption.

***Notice of Redemption***. When any Offered Bonds are to be redeemed, the Bond Registrar is to cause notice of such redemption to be mailed by first class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, with respect to the Fixed Rate Offered Bonds, not more than 60 days nor less than 25 days prior to the redemption date and with respect the 2025 Series K-2 Bonds in the Weekly Mode, not more than 30 days nor less than 15 days prior to the redemption date, to the Owner of each such Offered Bond to be redeemed at such owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar. However, failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any Offered Bond with respect to which no such failure or defect has occurred.

**If DTC or its nominee is the registered owner of any Offered Bond to be redeemed, notice of redemption will only be given to DTC or its nominee as the registered owner of such Offered Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having**

**received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Offered Bond to be redeemed shall not affect the validity of the redemption of such Offered Bond. See Appendix H—"BOOK-ENTRY SYSTEM."**

***Selection of Offered Bonds for Partial Redemption***. In the event of a partial redemption of Offered Bonds, the Authority shall direct (subject to the 2025IJK Series Indenture) the series, maturity or maturities, and the amounts thereof, so to be redeemed. If less than all of the Offered Bonds of like series and maturity are to be redeemed on any one date, the particular Offered Bonds or the respective portions thereof to be redeemed are to be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate (except that Bank Bonds shall be redeemed prior to any other 2025 Series K-2 Bonds).

***Projected Weighted Average Life—PAC Bonds***. The following information is provided to allow potential investors to evaluate the PAC Bonds which are the subject of special redemption described in "Prior Redemption—*Special Redemption from Prepayments, Excess Revenues and Debt Service Reserve Fund Reductions*" under this caption. The weighted average life of a bond refers to the average length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid weighted by the principal amount of such installment. The weighted average life of the PAC Bonds will be influenced by, among other things, the rate at which principal payments (including scheduled payments and principal prepayments) are made on the 2025IJK Mortgage Loans. An investor owning less than all of the 2025J PAC Bonds or the 2025K-1 PAC Bonds may experience redemption at a rate that varies from the average life of the PAC Bonds.

Levels of prepayment on mortgage loans are commonly measured relative to a prepayment standard or model. The standard used in this Official Statement is The Standard Prepayment Model of The Securities Industry and Financial Markets Association, formerly The Bond Market Association and, prior thereto, the Public Securities Association (the "**PSA Prepayment Model**"). The PSA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of mortgage loans. The PSA Prepayment Model does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including 2025IJK Mortgage Loans. "**100% PSA**" assumes prepayment rates of 0.2% per year of the then-unpaid balance of the pool of mortgage loans in the first month of the life of the pool of mortgage loans and an additional 0.2% per year in each month thereafter (for example, 0.4% per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, 100% PSA assumes a constant prepayment rate of 6% per year. Multiples will be calculated from this prepayment rate standard; e.g., "**200% PSA**" assumes prepayment rates will be 0.4% per year in month one, 0.8% per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. "**0% PSA**" assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The following table, entitled "Projected Weighted Average Life—PAC Bonds," assumes, among other things, that (a) the 2025IJK Mortgage Loans prepay at the indicated percentages of the PSA Prepayment Model, (b) all scheduled principal and interest payments or prepayments on the 2025IJK Mortgage Loans are received 30 days after the date on which such payments are due or assumed to be made, (c) the PAC Bonds are not redeemed pursuant to optional redemption, and (d) redemptions from amounts on deposit in the 2025 Series IJK subaccount of the Class I Special Redemption Account and the 2025 Series IJK subaccount of the Class III Special Redemption Account occur semiannually on each May 1 and November 1 as described under the caption "TERMS OF THE OFFERED BONDS—Prior Redemption—*Special Redemption from Prepayments, Excess Revenues and Debt Service Reserve Fund Reductions.*" Based solely on such assumptions, some or all of which are unlikely to reflect actual experience, the following table provides projected weighted average life information for the PAC Bonds.

**Projected Weighted Average Life –PAC Bonds**

| PSA Prepayment | 2025J PAC Bonds Weighted Average Life (years) | 2025K-1 PAC Bonds Weighted Average Life (years) |
|---|---|---|
| 0% | 18.2 | 25.7 |
| 25 | 12.1 | 17.7 |
| 50 | 8.5 | 10.9 |
| 75 | 6.6 | 7.6 |
| 100 | 5.7 | 5.0 |
| 150 | 5.7 | 5.0 |
| 200 | 5.7 | 5.0 |
| 300 | 5.7 | 5.0 |
| 400 | 5.7 | 5.0 |
| 500 | 5.7 | 5.0 |
| 600 | 5.7 | 5.0 |
| 700 | 5.7 | 5.0 |

**No assurance can be given that prepayments of principal of the 2025IJK Mortgage Loans will conform to any level of a particular prepayment projection, schedule or model or that prepayments will be available to be applied to redemptions of any of the Offered Bonds, including the PAC Bonds. The rates of principal prepayments on Mortgage Loans are generally influenced by a variety of economic, geographical, social and other factors, including servicing decisions, changing property values, prevailing interest rates and the time within which Mortgage Loans are originated. In general, if prevailing interest rates fall significantly below the interest rates on the 2025IJK Mortgage Loans, such 2025IJK Mortgage Loans may be likely to prepay at higher rates than if prevailing interest rates remain at or above the interest rates on the 2025IJK Mortgage Loans. Conversely, if prevailing interest rates rise above the interest rates on the 2025IJK Mortgage Loans, the rate of prepayments might be expected to decrease. Foreclosures or repurchases of 2025IJK Mortgage Loans will also affect the expected special redemption schedules. The Authority cannot predict the number of 2025IJK Mortgage Loans that may become delinquent, repurchased or foreclosed. For these reasons, the Authority cannot offer any assurances as to the overall rate at which the 2025IJK Mortgage Loans will prepay and offers no assurance that the scheduled amounts will, in fact, be available to effect any redemptions described herein.**

**Description of the 2025 Series K-2 Bonds**

***Determination of Interest Rates***. The interest rate for any 2025 Series K-2 Bond in the Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of such Bond on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued and unpaid interest, if any. In determining such interest rate the Remarketing Agent shall take into account, to the extent applicable, (a) market interest rates for comparable securities held by tax-exempt or taxable (as applicable) open-end municipal bond funds or other institutional or private investors with substantial portfolios (i) with interest rate adjustment periods and demand purchase options substantially identical to the 2025 Series K-2 Bonds, (ii) bearing interest at a variable rate intended to maintain par value, and (iii) rated by a national credit rating agency in the same category as the 2025 Series K-2 Bonds; (b) other financial market rates and indices which may have a bearing on the interest rate (including, but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal fund rates, the Secured Overnight Financing Rate, indices maintained by The Bond Buyer, and other

publicly available tax-exempt or taxable (as applicable) interest rate indices); (c) general financial market conditions (including current forward supply); and (d) factors particular to the Authority and the 2025 Series K-2 Bonds.

During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 4:00 p.m., New York City time, on each Rate Determination Date. The Weekly Rate shall be in effect (a) initially, from and including the first day the 2025 Series K-2 Bonds become subject to the Weekly Mode to and including Tuesday, July 22, 2025 and (b) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (a) after 4:00 p.m., New York City time, on the Rate Determination Date by telephone to any Owner or Notice Party requesting such rate and (b) by Electronic Means to the Paying Agent on the Rate Determination Date. The Paying Agent shall give notice of such interest rates to the Trustee by Electronic Means not later than 4:00 p.m., New York City time, on the second Business Day immediately succeeding the Rate Determination Date. In no event shall the interest rate borne by such 2025 Series K-2 Bonds exceed the lesser of 10% per annum (or such other rate as may be provided in the Initial 2025K-2 Liquidity Facility) or the maximum rate of interest permitted by applicable law, which is the maximum rate (the "**Maximum Rate**").

The determination by the Remarketing Agent of the interest rate to be borne by the 2025 Series K-2 Bonds (other than 2025 Series K-2 Bonds that are held by the 2025K-2 Liquidity Facility Provider, which, in accordance with the Initial 2025K-2 Liquidity Facility, shall bear interest at the Bank Rate) shall be conclusive and binding on the Owners of such 2025 Series K-2 Bonds and the other Notice Parties except as otherwise provided in the 2025IJK Series Indenture. Failure by the Remarketing Agent or the Trustee to give any notice required under the Indenture, or any defect in such notice, shall not affect the interest rate borne by the 2025 Series K-2 Bonds or the rights of the Owners thereof.

In the event (a) the Remarketing Agent fails or is unable to determine the interest rate or Interest Period with respect to any 2025 Series K-2 Bond, or (b) the method of determining the interest rate or Interest Period with respect to a 2025 Series K-2 Bond shall be held to be unenforceable by a court of law of competent jurisdiction, such 2025 Series K-2 Bond shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered a Counsel's Opinion to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at a rate equal to the lesser of (x) the SOFR Rate in effect on such Rate Determination Date plus 0.31448% and (y) the Maximum Rate.

*Change in Mode Period; Conversion*. From time to time, by written notice to the Notice Parties as required under the Indenture, the Authority may effect a change in Mode with respect to all or any portion of the 2025 Series K-2 Bonds to the Daily Mode or Term Rate Mode. The 2025IJK Series Indenture also provides that the Authority has the option to convert all or a portion of the 2025 Series K-2 Bonds to Bonds bearing interest at Fixed Rates, in accordance with the Indenture. Upon such conversion, a Fixed Rate Mode shall be in effect until the applicable Maturity Date, or acceleration thereof prior to such Maturity Date, and may not be changed to any other Mode. **This Official Statement describes the 2025 Series K-2 Bonds only while bearing interest in a Weekly Mode and while supported by the Initial 2025K-2 Liquidity Facility. If any of the 2025 Series K-2 Bonds are converted to a Mode other than the Weekly Mode or an Alternate Liquidity Facility is substituted for the Initial 2025K-2 Liquidity Facility, a reoffering document will be prepared in connection with such Conversion or change in Mode or substitution.**

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**Tender and Purchase of 2025 Series K-2 Bonds**

***Owner's Election to Tender***. Subject to the mandatory purchase provisions described below, Owners of the 2025 Series K-2 Bonds in a Weekly Mode may elect to have their 2025 Series K-2 Bonds (or portions of those Bonds in amounts equal to an Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, as defined below, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Paying Agent, not later than 4:00 p.m., New York City time, on a Business Day not less than seven days before any Business Day selected by the owner of such 2025 Series K-2 Bond pursuant to the 2025IJK Series Indenture (the "**Purchase Date**") specified by the Owner in such notice. Such notices of tender shall state the CUSIP number, the Bond number and the principal amount of such 2025 Series K-2 Bond and that such Bond shall be purchased on the Purchase Date specified above. The 2025 Series K-2 Bond shall be delivered (with all necessary endorsements) at or before 12:00 noon, New York City time, on the Purchase Date to the Remarketing Agent; provided, however, that payment of the Purchase Price shall be made pursuant to the 2025IJK Series Indenture only if the 2025 Series K-2 Bond so delivered to the Remarketing Agent conforms in all respects to the description thereof in the notice described in the 2025IJK Series Indenture. Payment of the Purchase Price with respect to purchases under the 2025IJK Series Indenture shall be made to the Owners of tendered 2025 Series K-2 Bonds by wire transfer in immediately available funds by the Paying Agent by 3:00 p.m. New York City time on the Purchase Date. An Owner who gives the notice of tender as set forth above may repurchase the 2025 Series K-2 Bonds so tendered on such Purchase Date if the Remarketing Agent agrees to sell the 2025 Series K-2 Bonds so tendered to such Owner. If such Owner decides to repurchase such 2025 Series K-2 Bonds and the Remarketing Agent agrees to sell the specified 2025 Series K-2 Bonds to such Owner, the delivery requirements set forth above shall be waived.

Holders of 2025 Series K-2 Bonds may not elect to tender their Bonds from and after a failure by the 2025K-2 Liquidity Facility Provider to purchase any 2025 Series K-2 Bonds tendered or deemed tendered for purchase by the Owners thereof to and until the earlier of the related maturity date, redemption date, a Mandatory Purchase Date, the date on which such failure is cured or the date of delivery of an Alternate Liquidity Facility. See "*—Mandatory Tender and Purchase—Inadequate Funds to Pay Purchase Price*."

***Mandatory Tender and Purchase***.

*Mandatory Tender on Mode Change Dates*. 2025 Series K-2 Bonds to be changed from one Mode to another Mode will be subject to mandatory tender for purchase on such Mode Change Date (or on the day which would have been a Mode Change Date had all the conditions with respect to changes from one Mode to another Mode described in the 2025IJK Series Indenture been satisfied by the Proposed Mode Change Date) at a purchase price equal to 100% of the principal amount of any 2025 Series K-2 Bonds tendered for purchase plus accrued interest, if any, to the Purchase Date (the "**Purchase Price**"). 2025 Series K-2 Bonds purchased shall be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the proposed Mode Change Date and payment of the Purchase Price shall be made by wire transfer of immediately available funds by 3:00 p.m. New York City time on such date. The Trustee shall give notice of such mandatory purchase by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of such 2025 Series K-2 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. Such notice is to state the Mandatory Purchase Date, the Purchase Price, the numbers of the 2025 Series K-2 Bonds to be purchased if less than all of the 2025 Series K-2 Bonds owned by such Owner are to be purchased and that interest on such 2025 Series K-2 Bonds subject to mandatory purchase will cease to accrue from and after the Mandatory Purchase Date. The failure to

transmit such notice with respect to any 2025 Series K-2 Bond shall not affect the validity of the mandatory purchase of any other 2025 Series K-2 Bond with respect to which such notice was mailed. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. **So long as the 2025 Series K-2 Bonds are registered in the DTC book-entry system described in Appendix H to this Official Statement, such notices will be sent only to DTC's nominee.**

*Mandatory Purchase upon Termination, Replacement or Expiration of Liquidity Facility*. If at any time the Trustee receives notice from the Authority or a Liquidity Facility Provider that 2025 Series K-2 Bonds tendered for purchase having the benefit of a Liquidity Facility shall, on the date specified in such notice, cease to be subject to purchase pursuant to such Liquidity Facility then in effect as a result of (a) the termination, replacement or expiration of the term, as extended, of a Liquidity Facility, including but not limited to termination at the option of the Authority in accordance with the terms of such Liquidity Facility, or (b) the occurrence and continuance of certain specified events under such Liquidity Facility (i.e., on a Notice Termination Date as defined in the Initial 2025K-2 Liquidity Facility), then such 2025 Series K-2 Bonds shall be purchased or deemed purchased at the Purchase Price.

Any purchase of the 2025 Series K-2 Bonds pursuant to the Indenture shall occur: (a) on the fifth Business Day preceding any expiration or termination of a Liquidity Facility without replacement by an Alternate Liquidity Facility, or on the fifth Business Day preceding the effective date of any termination of a Liquidity Facility as set forth in a Notice of Termination Date delivered to the Trustee as described in clause (b) of the preceding paragraph; and (b) on the proposed date of the replacement of a Liquidity Facility in any case where an Alternate Liquidity Facility has been delivered to the Trustee pursuant to the Indenture.

The Trustee shall give notice of mandatory purchase pursuant to the Indenture by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2025 Series K-2 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date (or in connection with a Mandatory Purchase Date described in clause (b) of the second preceding paragraph, not less than three days prior to the Mandatory Purchase Date). The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2025 Series K-2 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2025 Series K-2 Bond shall not affect the validity of the mandatory purchase of any other 2025 Series K-2 Bond with respect to which notice was so transmitted. Any notice transmitted as described will be conclusively presumed to have been given, whether or not actually received by any Owner. 2025 Series K-2 Bonds purchased pursuant to the Indenture are to be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2025 Series K-2 Bonds is to be made by wire transfer in immediately available funds by the Paying Agent by 3:00 p.m. New York City time on such Mandatory Purchase Date.

*Mandatory Purchase at the Direction of the Authority*. When the Weekly Mode is in effect, and prior to any termination or expiration of a Liquidity Facility supporting the 2025 Series K-2 Bonds, the 2025 Series K-2 Bonds are subject to mandatory tender for purchase on any Business Day designated by the Authority, by written notice delivered as described below, with the consent of the Remarketing Agent and the Liquidity Facility Provider, at the Purchase Price, payable in immediately available funds. The Trustee is to give notice of mandatory purchase pursuant to the Indenture by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2025 Series K-2 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2025 Series K-2 Bonds subject to

mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2025 Series K-2 Bond shall not affect the validity of the mandatory purchase of any other 2025 Series K-2 Bond with respect to which notice was so transmitted. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. 2025 Series K-2 Bonds purchased pursuant to the Indenture are to be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2025 Series K-2 Bonds is to be made by wire transfer in immediately available funds by the Paying Agent by 3:00 p.m. New York City time on such Mandatory Purchase Date.

*Inadequate Funds to Pay Purchase Price*. If sufficient funds are not available for the purchase of all 2025 Series K-2 Bonds tendered or deemed tendered and required to be purchased on any Purchase Date or Mandatory Purchase Date, all such 2025 Series K-2 Bonds shall bear interest at a rate equal to the lesser of (a) the SOFR Rate in effect on such date plus 0.31448% and (b) the Maximum Rate from the date of such failed purchase until all such 2025 Series K-2 Bonds are purchased as required in accordance with the 2025IJK Series Indenture, and all tendered 2025 Series K-2 Bonds shall be returned to their respective Owners. Notwithstanding any other provision of the 2025IJK Series Indenture, such failed purchase and return shall not constitute an Event of Default.

*Payment of Tendered 2025 Series K-2 Bonds*. 2025 Series K-2 Bonds that are tendered or deemed tendered under the terms of the 2025IJK Series Indenture are to be purchased by the Paying Agent upon surrender of such 2025 Series K-2 Bonds, but only from the sources listed below, from the Owners thereof by 3:00 p.m., New York City time, on the date such 2025 Series K-2 Bonds are required to be purchased at the Purchase Price. Funds for the payment of such Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of 2025 Series K-2 Bonds furnished to the Remarketing Agent by the purchasers thereof pursuant to the 2025IJK Series Indenture; and

(b) moneys furnished to the Paying Agent pursuant to the 2025IJK Series Indenture, representing the proceeds of a draw under the Initial 2025K-2 Liquidity Facility.

On any Purchase Date, the Remarketing Agent is to offer for sale and use its best efforts to sell all such 2025 Series K-2 Bonds tendered or deemed tendered at a price equal to 100% of the principal amount thereof plus accrued interest. The 2025 Series K-2 Bonds so sold shall bear interest from the date of sale at the rate of interest determined by the Remarketing Agent pursuant to the Indenture. The Remarketing Agent shall, not later than 10:00 a.m., New York City time, on any Purchase Date provide notice to the Paying Agent of the aggregate principal amount of the 2025 Series K-2 Bonds that have been sold and the aggregate principal amount of 2025 Series K-2 Bonds that will be tendered but have not been sold.

On each Purchase Date on which the 2025 Series K-2 Bonds are to be purchased pursuant to a tender, the Paying Agent shall, by no later than 10:30 a.m., New York City time, draw upon the 2025K-2 Liquidity Facility in an amount sufficient, together with any remarketing proceeds that the Paying Agent has on hand at the time of such draw (including all remarketing proceeds received from the Remarketing Agent), to enable the Paying Agent to pay the Purchase Price of the 2025 Series K-2 Bonds to be purchased on such Purchase Date. The Paying Agent shall make any draws so required in accordance with the terms and conditions of such 2025K-2 Liquidity Facility and deposit such moneys to the Bond Purchase Fund so that immediately available funds will be available to the Paying Agent to pay the Purchase Price due on a Purchase Date by 3:00 p.m., New York City time, on the Purchase Date. See **Appendix C**—"SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY."

UNDER CERTAIN CIRCUMSTANCES THE OBLIGATION OF THE 2025K-2 LIQUIDITY FACILITY PROVIDER TO PURCHASE 2025 SERIES K-2 BONDS TENDERED BY THE OWNERS THEREOF OR SUBJECT TO MANDATORY TENDER MAY BE SUSPENDED OR TERMINATED AND, IN SOME OF SUCH CIRCUMSTANCES, THE SUSPENSION OR TERMINATION OF SUCH OBLIGATION WILL BE IMMEDIATE, AUTOMATIC AND WITHOUT NOTICE TO SUCH OWNERS. IN SUCH EVENT OF IMMEDIATE SUSPENSION OR TERMINATION, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE 2025 SERIES K-2 BONDS TENDERED BY THE OWNERS OF THE 2025 SERIES K-2 BONDS OR SUBJECT TO MANDATORY TENDER. See **Appendix C**—"SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY."

*Failure of 2025K-2 Liquidity Facility Provider to Purchase 2025 Series K-2 Bonds*. Under the terms and provisions of the Remarketing Agreement and the Initial 2025K-2 Liquidity Facility, the purchase price of 2025 Series K-2 Bonds in an amount equal to the principal amount thereof and accrued interest, if any, thereon will be payable from moneys furnished in connection with the remarketing of the 2025 Series K-2 Bonds or from the 2025K-2 Liquidity Facility Provider in accordance with the terms and conditions set forth in the 2025K-2 Liquidity Facility. The Authority is not responsible for any failure by the 2025K-2 Liquidity Facility Provider to purchase 2025 Series K-2 Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to the 2025IJK Series Indenture. Failure to purchase a 2025 Series K-2 Bond tendered at the option of the Owner or subject to mandatory tender for purchase as described above and in accordance with the 2025IJK Series Indenture does not constitute an Event of Default under the Indenture.

**The obligation of the 2025K-2 Liquidity Facility Provider to purchase the 2025 Series K-2 Bonds tendered for purchase under the Initial 2025K-2 Liquidity Facility may be suspended or terminated immediately without notice to the owners of such 2025 Series K-2 Bonds upon the occurrence of certain Events of Default under the Initial 2025K-2 Liquidity Facility. See Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY— EVENTS OF DEFAULT—Events of Default Resulting in Immediate Termination" and "—Events of Default Resulting in Immediate Suspension." NEITHER THE AUTHORITY NOR THE REMARKETING AGENT IS OBLIGATED TO PURCHASE 2025 SERIES K-2 BONDS TENDERED BY THE OWNERS OF SUCH 2025 SERIES K-2 BONDS OR SUBJECT TO MANDATORY PURCHASE IF REMARKETING PROCEEDS AND PAYMENTS UNDER THE INITIAL 2025K-2 LIQUIDITY FACILITY ARE INSUFFICIENT TO PAY THE PURCHASE PRICE OF SUCH 2025 SERIES K-2 BONDS.**

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## PLAN OF FINANCE

### Sources and Uses of Funds

**The following are the estimated sources and uses of funds relating to the Offered Bonds.**

| | Estimated Amounts |
|---|---|
| **Sources of Funds:** | |
| Par amount of the Offered Bonds | $200,000,000.00 |
| Net Original Issue Premium | 7,748,462.75 |
| Other Available Funds[(1)] | 328,037.25 |
| **Total Sources of Funds** | $208,076,500.00 |
| | |
| **Uses of Funds:** | |
| For deposit to 2025 Series IJK subaccount of the Acquisition Account | $205,000,000.00 |
| For deposit to 2025 Series IJK subaccount of the Revenue Fund[(2)] | 1,500,000.00 |
| For costs of issuance and Underwriters' compensation[(3)] | 1,576,500.00 |
| **Total Uses of Funds** | $208,076,500.00 |

(1) Represents amounts on deposit under the Master Indenture.

(2) Proceeds of the Offered Bonds and certain cash on deposit under the Master Indenture will be deposited in the 2025 Series IJK subaccount of the Revenue Fund and will be used to pay any accrued interest due in connection with the acquisition of the 2025IJK MBS.

(3) Proceeds of the Offered Bonds will be deposited in the 2025 Series IJK subaccount of the Costs of Issuance Account in the Program Fund and used to pay the costs of issuance and Underwriters' compensation relating to the Offered Bonds. See "PART I—UNDERWRITING."

### Related Interest Rate Contract

The Authority has entered into an interest rate swap agreement (the "**2025K-2 Interest Rate Contract**") with Bank of Montreal (the "**2025K-2 Interest Rate Contract Provider**"). The purpose of the 2025K-2 Interest Rate Contract is to place a portion of the net obligation of the Authority with respect to the 2025 Series K-2 Bonds on an approximately fixed-rate basis beginning on July 16, 2025.

Under the terms of the 2025K-2 Interest Rate Contract, the Authority will make payments to the 2025K-2 Interest Rate Contract Provider semiannually (May 1 and November 1), commencing November 1, 2025, on the basis of an initial notional amount of $47,425,000 and an interest rate equal to an agreed-upon fixed rate (4.51%). Concurrently, the Authority will receive payments from the 2025K-2 Interest Rate Contract Provider based upon the above notional amount and a variable interest rate (SOFR + 0.11448%), which is expected to equal or approximate the interest rate on the 2025 Series K-2 Bonds.

The 2025K-2 Interest Rate Contract will expire on November 1, 2045, but is also subject to early termination, in whole or in part, at any time at the option of the Authority upon payment of a market based termination payment. The 2025K-2 Interest Rate Contract is also subject to early termination at the option of the Authority without cost beginning on May 1, 2033 and semiannually thereafter on each May 1 or November 1 to May 1, 2045. The notional amount of the 2025K-2 Interest Rate Contract is also subject to mandatory semi-annual reductions beginning May 1, 2026 through May 1, 2045.

The Authority's obligation to make regular interest payments to the 2025K-2 Interest Rate Contract Provider is a Class I Obligation under the Master Indenture, secured on parity with the lien on the Trust

Estate of the other Class I Obligations. Payments made to the Authority by the 2025K-2 Interest Rate Contract Provider will be pledged as Revenues under the Master Indenture. The Authority's obligation to make market based termination payments under the 2025K-2 Interest Rate Contract (in the event the Authority exercises its option of early termination) is a general obligation of the Authority and not an Obligation under the Master Indenture.

For information concerning the Interest Rate Contracts and other Auxiliary Obligations currently Outstanding under the Master Indenture, see **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS."

## CERTAIN PROGRAM ASSUMPTIONS

### Generally

The Bonds (including the Offered Bonds) and Auxiliary Obligations outstanding under the Master Indenture (other than Auxiliary Obligations which are General Obligations of the Authority) will be secured by, among other moneys, rights and interests, the Revenues derived from the Mortgage Loans and MBS, including the 2025IJK Mortgage Loans. Payments on Mortgage Loans, whether from scheduled monthly installments or from Prepayments, together with Revenues generated as investment income on the funds held under the Indenture, and invested under the investment agreements, are assumed to be the primary source of Revenues. See "Characteristics of 2025IJK GNMA MBS" and "2025IJK Second Mortgage Loans" under this caption and "**Appendix B-2—**THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES." See also "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." Such Revenues are expected by the Authority (based on certain assumptions some of which are described under this caption) to be sufficient to pay the debt service on the Bonds, including the Offered Bonds.

As required by the Master Indenture and at the request of the Authority, CSG Advisors Inc. has prepared certain cash flow projections giving effect to the issuance of the Offered Bonds (the "**Cash Flow Statement**") which indicates that, after such issuance, the amounts expected to be available in the Trust Estate will be sufficient to pay principal of and interest on the Outstanding Bonds, when due. The Cash Flow Statement uses numerous assumptions, including assumptions discussed under this caption, to calculate the expected receipt of Revenues in the Trust Estate and the expected expenditures to be incurred in connection with the Outstanding Bonds and the Mortgage Loans held under the Master Indenture. There can be no assurance that any or all of the assumptions made will apply to the Mortgage Loans included in the Trust Estate or that the Mortgage Loans will perform as assumed in the Cash Flow Statement. To the extent that these assumptions are not met, for example, Mortgage Loans or Ginnie Mae Certificates, Fannie Mae Certificates or Freddie Mac Certificates are not paid on a timely basis in accordance with their terms, the moneys available may be insufficient for the payment of debt service on the Outstanding Bonds and operating expenses of the Program.

### Characteristics of 2025IJK MBS

The Authority expects to pool 2025IJK First Mortgage Loans, which represent a portion of its future Mortgage Loan Production, into the 2025IJK MBS. The 2025IJK MBS are expected to consist of an outstanding aggregate balance of approximately $198,000,000 of 2025IJK First Mortgage Loans with a weighted average mortgage rate of 6.574% pooled into one or more 2025IJK MBS with a weighted average MBS pass-through rate of 6.000% and a remaining term of 359 months. The 2025IJK MBS are expected to be comprised entirely of 2025IJK GNMA MBS.

For a description of the MBS portfolio currently Outstanding under the Master Indenture, see the Authority's financial disclosures with respect to its Single Family Mortgage Bonds available on EMMA (as defined herein).

The Authority expects that some or all of the Borrowers receiving a 2025IJK First Mortgage Loan which backs the 2025IJK GNMA MBS will also qualify for and receive a Second Mortgage Loan to finance all or a portion of the closing costs and down payment requirements with respect to such 2025IJK First Mortgage Loan. See "Part II—THE SINGLE FAMILY MORTGAGE PROGRAM—Program Features."

**2025IJK Second Mortgage Loans**

The Authority intends to use a portion of the proceeds from the sale of the Offered Bonds to fund approximately $7,000,000 in aggregate principal amount of 2025IJK Second Mortgage Loans. The 2025IJK Second Mortgage Loans are non-amortizing loans with a stated rate of interest of 0% made to provide borrowers down payment and/or closing cost assistance. Repayment of principal of a 2025IJK Second Mortgage Loan is due in full upon the sale of the related property, the refinance or payment in full of the Related First Mortgage Loan, the default of the Related First Mortgage Loan, or if the property is no longer the Borrower's principal residence. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM—Program Features." For a description of the Second Mortgage Loans currently Outstanding under the Master Indenture, see **Appendix B-2**—"THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES."

**Debt Service Reserve Fund Requirement**

There is no Debt Service Reserve Fund Requirement with respect to the Offered Bonds.

## TAX MATTERS

**Federal Tax Matters With Respect to the 2025 Series I Bonds and 2025 Series J Bonds**

***General***. In the opinion of Bond Counsel, based on existing laws, regulations, rulings and judicial decisions and assuming, among other matters, compliance with certain covenants and agreements which are intended to assure compliance with Section 103 and applicable provisions of Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the "**Code**"), interest on the 2025 Series I Bonds and the 2025 Series J Bonds is excludable from gross income for federal income tax purposes. Furthermore, in the opinion of Bond Counsel, interest on the 2025 Series I Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals, and interest on the 2025 Series J Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2025 Series I Bonds and the 2025 Series J Bonds may affect the federal alternative minimum tax imposed on certain corporations.

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The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 Series I Bonds and the 2025 Series J Bonds. The Authority has covenanted and agreed to comply with certain guidelines designed to assure that interest on the 2025 Series I Bonds and the 2025 Series J Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with these covenants and agreements may result in interest on the 2025 Series I Bonds and the 2025 Series J Bonds being included in federal gross income, possibly from the date of issuance of the Offered Bonds. The opinion of Bond Counsel assumes compliance with these covenants and agreements. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Offered Bonds may affect the tax status of interest on the 2025 Series I Bonds and the 2025 Series J Bonds.

Section 103(a) and Section 141(e)(1)(B) of the Code provides that interest on a "qualified mortgage bond" is excluded from gross income for federal income tax purposes. Under Section 143 of the Code, a qualified mortgage bond is a bond which is issued as part of an issue the proceeds of which are used to finance owner-occupied residences meeting certain requirements relating to loan eligibility, targeted areas, yield restrictions and other matters.

The mortgage loan eligibility requirements of Section 143 of the Code generally applicable to the 2025 Series I Bonds and the 2025 Series J Bonds are that (a) the residence with respect to which the Mortgage Loan is made is a single-family residence which is located in the State and can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the Mortgage Loan is made; (b) except in certain limited circumstances, no part of the proceeds are to be used to acquire or replace any existing mortgage; (c) the acquisition cost of the completed residence meets certain limits; (d) with certain exceptions, most notably targeted areas and for certain mortgagors who are qualified veterans, the mortgagor will not have had a present ownership interest in its principal residence during the preceding three years; (e) with certain exceptions, the family income of the mortgagor will not exceed 100%, in the case of a household of less than three persons, and 115%, in the case of a household of three or more persons, of median gross income for the area in which the residence is located or the State, whichever is greater; and (f) the loan will not be assumable unless the requirements of (a), (c), (d) and (e) above are met at the time of the assumption. An issue is treated as meeting the loan eligibility requirements of Section 143 if (a) the issuer in good faith attempted to meet all of the requirements before the loans were executed; (b) 95% or more of the proceeds of the issue used to finance loans was devoted to residences which met all such requirements at the time the loans were executed; and (c) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered.

The Code imposes additional nonmortgage loan eligibility requirements relating to the 2025 Series I Bonds and the 2025 Series J Bonds to maintain the exclusion from gross income for federal income tax purposes of interest on the 2025 Series I Bonds and the 2025 Series J Bonds. For example, the Code limits the amount of the costs of issuance which may be paid from the proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds, limits the size of reserve funds established with the proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds and can require earnings on nonmortgage investments in excess of the yield on the 2025 Series I Bonds and the 2025 Series J Bonds to be rebated to the United States. Of the Mortgage Loans originally funded with proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds, such Mortgage Loan principal prepayments and repayments that are received more than 10 years after the date of issuance of the Offered Bonds or more than 10 years after the issuance of any prior bonds that are refunded from proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds (or the earliest date in a chain of refundings) must be used to redeem or retire the 2025 Series I Bonds and the 2025 Series J Bonds, and such amounts may not be recycled into new Mortgage Loan originations or used to redeem or retire the 2025 Series I Bonds and the 2025 Series J Bonds. Any original proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds (or transferred original proceeds of a prior bond refunded by the 2025 Series I

Bonds and the 2025 Series J Bonds) that are deposited into the Acquisition Account must be used to either: (a) acquire Mortgage Loans within 42 months of the date of issuance of the 2025 Series I Bonds and the 2025 Series J Bonds (or, as applicable, the date of issuance of the refunded prior bond); or (b) be used to redeem the 2025 Series I Bonds and the 2025 Series J Bonds by such applicable date. The Code also imposes limitations on the yield of the Mortgage Loans allocable to the 2025 Series I Bonds and the 2025 Series J Bonds. The Authority will covenant to take such actions as are necessary to comply with such requirements unless, in the opinion of nationally recognized bond counsel, it is not necessary to comply with such requirements in order to assure the exclusion from gross income for federal income tax purposes of interest on the 2025 Series I Bonds and the 2025 Series J Bonds.

The terms and conditions of the Program documents have been designed to meet the requirements of the Code, as applicable. The Authority covenants to meet these requirements and to take all steps necessary to comply with these requirements so long as any 2025 Series I Bonds and the 2025 Series J Bonds issued to finance such Mortgage Loan are outstanding. Noncompliance with the requirements in the Program documents could cause interest on the 2025 Series I Bonds and the 2025 Series J Bonds to become includable in the gross income of the holders thereof retroactively to the date of issue and adversely affect the price of such Bonds in the secondary market. The Authority has also covenanted to meet any other applicable federal tax law requirements.

***Premium Bonds.*** Any Offered Bonds sold at initial public offering prices that are greater than the stated amounts to be paid at maturity constitute "Premium Bonds." An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over the term of such Premium Bond using constant yield principles, based on the purchaser's yield to maturity (or, in the case of a Premium Bond callable prior to its maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of a Premium Bond should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

***Other Tax Consequences.*** Although Bond Counsel has rendered an opinion that interest on the 2025 Series I Bonds and the 2025 Series J Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the 2025 Series I Bonds and the 2025 Series J Bonds may otherwise affect a Bondholder's income tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the 2025 Series I Bonds and the 2025 Series J Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property and casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the 2025 Series I Bonds and the 2025 Series J Bonds.

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**Federal Tax Matters With Respect to the 2025 Series K Bonds**

***General***. Bond Counsel is of the opinion that under existing laws, regulations, rulings and judicial decisions interest on the 2025 Series K Bonds is included in gross income for federal income tax purposes.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the 2025 Series K Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the 2025 Series K Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the 2025 Series K Bonds.

Although there are not any regulations, published rulings or judicial decisions involving the characterization for federal income tax purposes of securities with terms substantially the same as the 2025 Series K Bonds, Bond Counsel has advised the Authority that the 2025 Series K Bonds will be treated for federal income tax purposes as evidences of indebtedness of the Authority and not as an ownership interest in the trust estate securing the 2025 Series K Bonds or as an equity interest in the Authority or any other party, or in a separate association taxable as a corporation. Interest on the 2025 Series K Bonds will be fully subject to federal income taxation. In general, interest paid on the 2025 Series K Bonds and recovery of accrued market discount, if any, will be treated as ordinary income to a bondholder, and principal payments will be treated as a return of capital. The Code contains special federal income tax rules for "real estate mortgage investment conduits." The Authority does not intend to treat the arrangement by which the trust estate secures the 2025 Series K Bonds as a "real estate mortgage investment conduit."

***Bond Premium***. The 2025K-1 PAC Bonds and Premium Term Bonds are being sold at a premium. An investor that acquires a 2025 Series K Bond for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any 2025 Series K Bonds purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

***Market Discount; Original Issue Discount***. The 2025 Series K-1 2037 Term Bonds are being sold at a discount. An investor that acquires a 2025 Series K Bond for a price less than the adjusted issue price of such bond (or an investor who purchases a 2025 Series K Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a 2025 Series K Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a 2025 Series K Bond not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a 2025 Series K Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or

other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a 2025 Series K Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a 2025 Series K Bond that acquired such bond at a market discount also may be required to defer, until the maturity date of such bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the 2025 Series K Bond for the days during the taxable year on which the owner held such bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the 2025 Series K Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

***Unearned Income Medicare Contribution Tax***. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the 2025 Series K Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the 2025 Series K Bonds and to gain on the sale of a 2025 Series K Bond.

***Sales or Other Dispositions***. If an owner of a 2025 Series K Bond sells the bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a 2025 Series K Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a 2025 Series K Bond should consult its own tax advisor concerning the circumstances in which such bond would be deemed reissued and the likely effects, if any, of such reissuance.

***Defeasance***. The legal defeasance of the 2025 Series K Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such 2025 Series K Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

***Foreign Investors***. An owner of a 2025 Series K Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a 2025 Series K Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 2025 Series K Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on 2025 Series K Bonds owned by foreign investors. In those instances in which payments of interest on the 2025 Series K Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of 2025 Series K Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a 2025 Series K Bond.

***Tax-Exempt Investors***. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a 2025 Series K Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a 2025 Series K Bond is urged to consult its own tax advisor regarding the application of these provisions.

***ERISA Considerations***. The Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3, as modified by Section 3(42) of ERISA), such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**," and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, "**Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2025 Series K Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts

and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2025 Series K Bonds, could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of the 2025 Series K Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2025 Series K Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2025 Series K Bonds. The sale of the Offered Bonds to a Plan is in no respect a representation by the Authority or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular Plan. Any ERISA Plan proposing to invest in the 2025 Series K Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Neither the Authority nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the 2025 Series K Bonds or an interest in the 2025 Series K Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the 2025 Series K Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the 2025 Series K Bonds.

**Backup Withholding**

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

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**State Tax Matters With Respect to the Offered Bonds**

In the opinion of Bond Counsel, the Offered Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation by the State of Colorado or any political subdivision or other instrumentality of the State of Colorado under Colorado laws in effect as of the date of delivery of the Offered Bonds.

Interest on the Offered Bonds may be subject to state or local income taxes in jurisdictions other than the State under applicable state or local tax laws. Each purchaser of the Offered Bonds should consult his or her own tax advisor with regard to the tax status of the Offered Bonds.

**Changes to Federal and State Tax Law**

From time to time, there are legislative proposals in Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Offered Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Offered Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved or whether the Offered Bonds or the market value thereof would be impacted thereby. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Offered Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation. In addition, there can be no assurance that legislation, regulatory initiatives or litigation that would adversely affect the exclusion of interest on the 2025 Series I Bonds and the 2025 Series J Bonds from gross income for federal income tax purposes will not be introduced, enacted, announced, proposed, threatened or commenced after the issuance and delivery of the Offered Bonds. Under such circumstances, the Authority has no obligation to redeem or to increase the rate of interest paid on the 2025 Series I Bonds and the 2025 Series J Bonds. Each purchaser of the Offered Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation, regulatory initiatives or litigation.

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

## REMARKETING AGENTS

**The Remarketing Agent for 2025 Series K-2 Bonds**

BofA Securities, Inc. has initially been appointed to serve as Remarketing Agent for the 2025 Series K-2 Bonds (the "**Remarketing Agent**") pursuant to the Indenture and a Remarketing Agreement dated as of July 16, 2025 between the Authority and the Remarketing Agent (collectively, the "**Remarketing Agreement**"). See "PART I—CERTAIN RELATIONSHIPS OF PARTIES." If 2025 Series K-2 Bonds are tendered or deemed tendered for purchase as described herein under the caption "PART I—TERMS OF THE OFFERED BONDS—Tender and Purchase of 2025 Series K-2 Bonds," the Remarketing Agent is required to use its best efforts to remarket such 2025 Series K-2 Bonds in accordance with the terms of the Indenture and the Remarketing Agreement. The Remarketing Agent will also be responsible for determining the rates of interest for the 2025 Series K-2 Bonds in accordance with the Indenture. The

Remarketing Agent is to transfer any proceeds of the remarketing of the 2025 Series K-2 Bonds it receives to the Paying Agent for deposit to the Remarketing Proceeds Subaccount of the Purchase Fund in accordance with the 2025IJK Series Indenture.

The Remarketing Agent may at any time resign and be discharged of its duties and obligations under the Remarketing Agreement upon providing the Authority, the Trustee, the Paying Agent and the 2025K-2 Liquidity Facility Provider with 30 days' prior written notice, except that such resignation shall not take effect until the appointment of a successor remarketing agent; provided that if a successor remarketing agent has not been appointed by the end of such 30-day notice period, such resignation shall take effect upon the earlier of (a) the appointment of a successor remarketing agent and (b) 60 additional days have passed. The Remarketing Agent may be removed at any time, at the direction of the Authority by written notice to the Remarketing Agent, the Trustee, the Paying Agent and the 2025K-2 Liquidity Facility Provider, upon at least 30 days' notice to the Remarketing Agent, except that the Authority shall not remove the Remarketing Agent until the appointment of a successor remarketing agent under the 2025IJK Series Indenture. The Remarketing Agent shall pay over, deliver and assign any monies and 2025 Series K-2 Bonds held by it in such capacity to its successor. Upon the resignation or removal of the Remarketing Agent, the Authority is to promptly cause the Paying Agent to give notice thereof by mail to all Owners and to any rating agency which has assigned a rating to the Series 2025 Series K-2 Bonds.

**Remarketing Agents for Adjustable Rate Bonds**

In connection with the Adjustable Rate Bonds outstanding under the Master Indenture, the Authority has entered into remarketing agreements with the respective remarketing agents set forth in the following table (together with the Remarketing Agent with respect to the 2025 Series K-2 Bonds, the "**Remarketing Agents**"):

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**Remarketing Agents under Master Indenture**
**as of May 1, 2025**

| Series of Bonds[1] | Remarketing Agent |
|---|---|
| 2001 Series AA-1 | BofA Securities, Inc. |
| 2001 Series AA-2 | RBC Capital Markets, LLC |
| 2017 Series B-1 | RBC Capital Markets, LLC |
| 2017 Series E | BofA Securities, Inc. |
| 2018 Series B-2 | Barclays Capital Inc. |
| 2019 Series B-2 | Barclays Capital Inc. |
| 2019 Series D | RBC Capital Markets, LLC |
| 2019 Series G-2 | Barclays Capital Inc. |
| 2019 Series I-2 | RBC Capital Markets, LLC |
| 2019 Series L-2 | BofA Securities, Inc. |
| 2020 Series C-2 | RBC Capital Markets, LLC |
| 2020 Series F-2 | Barclays Capital Inc. |
| 2020 Series I-2 | RBC Capital Markets, LLC |
| 2021 Series C-2 | RBC Capital Markets, LLC |
| 2021 Series I | RBC Capital Markets, LLC |
| 2021 Series M-2 | Barclays Capital Inc. |
| 2022 Series C-2 | RBC Capital Markets, LLC |
| 2022 Series D-2 | RBC Capital Markets, LLC |
| 2022 Series G-2 | RBC Capital Markets, LLC |
| 2022 Series H-3 | RBC Capital Markets, LLC |
| 2022 Series L-2 | Barclays Capital Inc. |
| 2023 Series A-2 | RBC Capital Markets, LLC |
| 2023 Series E-2 | Jefferies LLC |
| 2023 Series F-2 | RBC Capital Markets, LLC |
| 2023 Series K-2 | RBC Capital Markets, LLC |
| 2023 Series M-2 | BofA Securities, Inc. |
| 2023 Series N-2 | RBC Capital Markets, LLC |
| 2023 Series P-2 | Jefferies LLC |
| 2023 Series Q-2 | RBC Capital Markets, LLC |
| 2024 Series A-2 | BofA Securities, Inc. |
| 2024 Series B-2 | RBC Capital Markets, LLC |
| 2024 Series C-2 | RBC Capital Markets, LLC |
| 2024 Series D-2 | Jefferies LLC |
| 2024 Series E-2 | RBC Capital Markets, LLC |
| 2024 Series F-2 | BofA Securities, Inc. |
| 2024 Series G-2 | RBC Capital Markets, LLC |
| 2025 Series C-2 | Jefferies LLC |
| 2025 Series D-2 | RBC Capital Markets, LLC |

[1] As of May 1, 2025. Does not include the 2025 Series K-2 Remarketing Agent. Subsequent to May 1, 2025, the Authority appointed BofA Securities, Inc. as Remarketing Agent with respect to the 2025 Series G-2 Bonds and appointed RBC Capital Markets, LLC as Remarketing Agent with respect to the 2025 Series H-2 Bonds.

## The Remarketing Agents Are Paid by the Authority

The Remarketing Agents' responsibilities include determining the interest rate from time to time and remarketing the Bonds that are optionally tendered by the owners thereof, all as further described in the Official Statement. The Remarketing Agents are appointed by the Authority and are paid by the Authority for their services. As a result, the interests of the Remarketing Agents may differ from those of existing holders and potential purchasers of Bonds.

## The Remarketing Agents May Purchase Bonds for Their Own Account

The Remarketing Agents are permitted, but not obligated, to purchase the tendered Bonds for their own account. The Remarketing Agents, in their sole discretion, may acquire tendered Bonds for their own

inventory in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agents are not obligated to purchase Bonds and may cease doing so at any time without notice. The Remarketing Agents may also make a market in the Bonds by purchasing and selling such Bonds other than in connection with an optional tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Bonds. If the Remarketing Agents purchase Bonds for their own account, they may offer those Bonds at a discount to par to some investors. The Remarketing Agents may also sell any Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by the Remarketing Agents may create the appearance that there is greater third-party demand for the Bonds in the market than is actually the case. The practices described above also may reduce the supply of Bonds that may be tendered in a remarketing.

**Bonds May Be Offered at Different Prices on Any Date**

The Remarketing Agents are required to determine on the rate determination date the applicable rate of interest that, in their judgment, is the lowest rate that would permit the sale of the respective Bonds at par plus accrued interest, if any, on the date the rate becomes effective (the "**Effective Date**"). The interest rate will reflect, among other factors, the level of market demand for such Bonds (including whether the Remarketing Agents are willing to purchase such Bonds for their own account). The Remarketing Agreements require that the Remarketing Agents use their best efforts to sell respective tendered Bonds at par, plus accrued interest. There may or may not be Bonds tendered and remarketed on a rate determination date or an Effective Date, a Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and a Remarketing Agent may sell such Bonds at varying prices to different investors on such date or any other date. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third-party buyers for all of the Bonds at the remarketing price.

**The Ability To Sell Bonds Other Than Through Tender Process May Be Limited**

While the Remarketing Agents may buy and sell the Bonds, they are not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

## UNDERWRITING

The Fixed Rate Offered Bonds are to be purchased from the Authority by the underwriters listed on the front cover page of this Official Statement (the "**Underwriters**"). The Underwriters have agreed, subject to certain conditions, to purchase all but not less than all of the Fixed Rate Offered Bonds at a price equal to $160,323,462.75 (the par amount of the Fixed Rate Offered Bonds plus net original issue premium of $7,748,462.75). The Underwriters will be paid a fee of $990,408.29 (including reimbursement of certain expenses) in connection with the underwriting of the Fixed Rate Offered Bonds.

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The 2025 Series K-2 Bonds are to be purchased from the Authority by BofA Securities, Inc. ("**BofA Securities**"), as sole underwriter of the 2025 Series K-2 Bonds. See "PART I—CERTAIN RELATIONSHIPS OF PARTIES." BofA Securities has agreed, subject to certain conditions, to purchase all but not less than all of the 2025 Series K-2 Bonds at a price equal to $47,425,000.00 (being the par amount of the 2025 Series K-2 Bonds). BofA Securities is to be paid a fee of $71,029.65 (including reimbursement of certain expenses) with respect to the offering of the 2025 Series K-2 Bonds. The initial public offering prices of the Fixed Rate Offered Bonds and the 2025 Series K-2 Bonds purchased by the Underwriters and BofA Securities, respectively, may be changed from time to time by the Underwriters and BofA Securities, respectively. The purchase of the 2025 Series K-2 Bonds is conditioned on the issuance of the Fixed Rate Offered Bonds.

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

BofA Securities, Inc., an underwriter of the Fixed Rate Offered Bonds and the sole underwriter of the 2025 Series K-2 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Offered Bonds.

RBCCM has entered into a distribution arrangement with its affiliate City National Securities, Inc. ("**CNS**"). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC, an underwriter of the Fixed Rate Offered 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 Fixed Rate Offered Bonds.

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Piper Sandler & Co., one of the underwriters of the Fixed Rate Offered Bonds, has entered into a distribution agreement ("**CS&Co. Distribution Agreement**") with Charles Schwab & Co., Inc. ("**CS&Co**") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase Fixed Rate Offered Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Fixed Rate Offered Bonds that CS&Co. sells.

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

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

## LITIGATION

At the time of the delivery of and payment for the Offered Bonds, the Authority will deliver an opinion of its General Counsel to the effect that no litigation before any court is pending or, to her knowledge, threatened against the Authority in any way affecting the existence of the Authority or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Offered Bonds, or which would materially adversely affect the financial condition of the Authority, or in any way contesting or affecting the validity or enforceability of the Offered Bonds or the Indenture.

## RATING

Moody's Investors Service ("**Moody's**") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**S&P**"), have assigned the 2025 Series I Bonds and the 2025 Series K-1 Bonds ratings of "Aaa" and "AAA," respectively. Moody's and S&P have also assigned the 2025 Series J Bonds ratings of "Aa3" and "AA," respectively. Moody's and S&P have also assigned assign the 2025 Series K-2 Bonds ratings of "Aaa/VMIG1" and "AAA/A-1+", respectively, based (in the case of the short-term ratings for the 2025 Series K-2 Bonds) on the delivery of the Initial 2025K-2 Liquidity Facility by the 2025K-2 Liquidity Facility Provider. Such ratings reflect only the views of Moody's and S&P, respectively, at the time such ratings are given, and are not a recommendation to buy, sell or hold the Offered Bonds. The Authority makes no representation as to the appropriateness of such ratings. An explanation of the significance of the ratings given by Moody's and S&P, respectively, may be obtained from Moody's and S&P, respectively. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward, suspended or withdrawn entirely by Moody's or S&P, respectively, if, in the judgment of the

issuing rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal of any such rating may have an adverse effect on the marketability or market price of the Offered Bonds. The Authority has no obligation to oppose any such revision, suspension or withdrawal of a rating.

## MUNICIPAL ADVISOR

The Authority has retained CSG Advisors Incorporated as its municipal advisor (the "**Municipal Advisor**") in connection with the offering of the Offered Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor will act as an independent advisory firm and will not be engaged in the business of underwriting, trading or distributing the Offered Bonds.

## LEGAL MATTERS

In connection with the issuance and sale of the Offered Bonds, Kutak Rock LLP, as Bond Counsel to the Authority, will deliver the opinion included as **Appendix E** hereto. Kutak Rock LLP will also pass upon certain legal matters relating to the Offered Bonds as Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its General Counsel. Certain legal matters will be passed upon for the 2025K-2 Liquidity Facility Provider by Chapman and Cutler LLP. Dorsey & Whitney LLP will pass upon certain matters for the Underwriters.

Neither Kutak Rock LLP, Chapman and Cutler LLP nor Dorsey & Whitney LLP have participated in any independent verification of the information concerning the financial condition or capabilities of the Authority contained in this Official Statement.

## AVAILABILITY OF CONTINUING INFORMATION

In connection with the issuance of the Offered Bonds, the Authority will deliver a Continuing Disclosure Undertaking, in the form attached as **Appendix J** hereto, by which the Authority will agree to make available by filing with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("**EMMA**"), in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), certain annual financial information and audited financial statements, commencing with the fiscal year in which the Offered Bonds are issued, and notice of certain events. In the previous five years the Authority has failed to timely post notice of an upgrade of the ratings of its Class II Bonds issued under the Indenture. In connection with a series of bonds issued under the Federally Insured Multifamily Housing Loan Program Master Indenture (as defined herein), the Authority inadvertently filed a multifamily borrower's audited financial statements for the fiscal year ending December 31, 2020, rather than the audited financial statements for the fiscal year ending December 31, 2021, resulting in the failure to timely file the December 31, 2021 audited financial statements. The Authority did not timely file a notice of its failure to provide such financial statements. Corrective filings have since been made on EMMA.

## CERTAIN RELATIONSHIPS OF PARTIES

BofA Securities, Inc., a subsidiary of Bank of America, N.A., is one of the Co-Senior Managers for the Fixed Rate Offered Bonds and is the sole underwriter for the 2025 Series K-2 Bonds. BofA Securities, Inc. is the Remarketing Agent with respect to the 2025 Series K-2 Bonds and also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "PART I—REMARKETING AGENTS." Bank of America, N.A. is the provider of the Initial 2025K-2 Liquidity Facility and is the provider of certain Liquidity Facilities for other Bonds as described in **Appendix B-1**

hereto. Bank of America, N.A. acts as a counterparty to the Authority under certain Interest Rate Contracts as described in **Appendix B-1** hereto and under agreements described in footnote (8) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

Jefferies LLC is one of the Co-Senior Managers for the Fixed Rate Offered Bonds. Jefferies LLC also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "PART I—REMARKETING AGENTS."

RBC Capital Markets, LLC, a subsidiary of Royal Bank of Canada, is one of the Co-Senior Managers for the Fixed Rate Offered Bonds. RBC Capital Markets, LLC also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "PART I—REMARKETING AGENTS." Royal Bank of Canada acts as a counterparty to the Authority under certain Interest Rate Contracts as described in **Appendix B-1** hereto and under agreements described in footnote (8) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto. Royal Bank of Canada is also the provider of several Liquidity Facilities for other Bonds as described in **Appendix B-1** hereto.

Barclays Capital Inc. is one of the Underwriters for the Fixed Rate Offered Bonds. Barclays Capital Inc. also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "PART I—REMARKETING AGENTS." Barclays Bank PLC (an affiliate of Barclays Capital Inc.) is acting as a counterparty to the Authority under certain Interest Rate Contracts as described in **Appendix B-1** hereto and under agreements described in footnote (8) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto. Barclays Bank PLC is also the provider of several Liquidity Facilities for other Bonds as described in **Appendix B-1** hereto.

WFBNA, is an Underwriter for the Fixed Rate Offered Bonds. WFBNA is also a counterparty for certain Interest Rate Contracts as described in **Appendix B-1** hereto and under agreements described in footnote (8) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto. WFBNA also provides an unsecured line of credit to the Authority as described in "PART II – Obligations of the Authority—General Obligations—Other Borrowings."

## NO IMPAIRMENT OF CONTRACT BY THE STATE

Pursuant to the provisions of Section 29-4-731 of the Act, the Authority has included in the Indenture the pledge and agreement of the State of Colorado that the State of Colorado will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bond Owners or in any way impair the rights and remedies of such Owners until the Bonds, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such Owners, are fully met and discharged.

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## LEGALITY FOR INVESTMENT AND SECURITY FOR DEPOSITS

Pursuant to Section 29-4-723 of the Act and Title 24, Article 75, Part 6 of the Colorado Revised Statutes (C.R.S. 24-75-601.1), the Offered Bonds are eligible for investment in the State by all public officers, public bodies and political subdivisions of the State, banking associations, savings and loan associations, trust companies, investment companies and insurance companies, and all executors, administrators, trustees and other fiduciaries of funds in their control or belonging to them, provided that, at the time of purchase by a public entity, such Bonds carry at least two credit ratings at or above "A" or its equivalent from nationally recognized statistical rating organizations and the period from the date of settlement of the Bonds to their maturity date or date of optional redemption that has been exercised as of the date the Bonds are purchased shall be no more than five years. The Act makes the Offered Bonds securities which may properly and legally be deposited with and received by any municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is authorized by law.

## INDEPENDENT AUDITORS

The most recent financial statements of the Authority, included in **Appendix G** hereto, have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their report appearing therein. 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. CliftonLarsonAllen LLP has also not performed any procedures relating to this Official Statement.

## MISCELLANEOUS

This Official Statement speaks only as of its date, and the information contained herein is subject to change. All quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete and reference is made to said laws, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of such laws, regulations and documents, including the Indenture, may be obtained upon request to the Authority and upon payment to the Authority of a charge for copying, mailing and handling, at 1981 Blake Street, Denver, Colorado 80202, Attention: Chief Financial Officer.

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The distribution of this Official Statement has been duly authorized by the Authority. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Authority and the purchasers or owners of any Offered Bonds.

COLORADO HOUSING AND FINANCE AUTHORITY

By */s/ Guadalupe Gutierrez-Vasquez*
Chief Financial Officer

(End of Part I)

## PART II

## COLORADO HOUSING AND FINANCE AUTHORITY

*This Part II provides general background information about the Authority, a description of the assets and moneys in the Trust Estate pledged to secure all of the Bonds issued, and which in the future may be issued, under the Master Indenture (including the Offered Bonds), certain risks associated with such Bonds and Trust Estate and an overview of the Authority's Single Family Mortgage Program pursuant to which Mortgage Loans relating to the Trust Estate (either individually or within MBS) have been and will be purchased or funded. For a description of the terms of the Offered Bonds, the sources and uses of funds in connection with the Offered Bonds, certain program assumptions and other matters specifically related to the offering and issuance of the Offered Bonds, see Part I to this Official Statement.*

### Background

In 1973, upon a finding that there existed in the State a shortage of decent, safe and sanitary housing available within the financial capabilities of low- and moderate-income families, the Colorado General Assembly established the Colorado Housing Finance Authority, since renamed the Colorado Housing and Finance Authority, as a body corporate and a political subdivision of the State for the purpose of increasing the supply of decent, safe and sanitary housing for such families. The Authority is not an agency of State government and not subject to administrative direction by any department, commission, board, bureau or agency of the State. The Act authorizes the Authority, among other things, to make loans to individuals and sponsors to finance the construction, reconstruction, rehabilitation or purchase of housing facilities for low- and moderate-income families and to purchase mortgage loans from, and lend moneys to, qualified Mortgage Lenders under terms and conditions which provide for loans to finance housing facilities for low- and moderate-income families. The Act was amended in 1982 to authorize the Authority to finance project and working capital loans to commercial and industrial enterprises of small and moderate size.

In order to achieve its authorized purposes, the Authority currently operates both Qualified (tax-exempt) and Non-Qualified (taxable) Single Family Mortgage Programs (see "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM") and various rental and business finance programs. The Act authorizes the Authority to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes as set forth in the Act.

### Board of Directors and Management

The Board of Directors of the Authority consists of the Colorado State Auditor, a member of the Colorado General Assembly appointed jointly by the Speaker of the House and the Majority Leader in the Senate, an executive director of a principal department of State government appointed by the Governor of Colorado and eight public members appointed by the Governor with the consent of the Senate. Members of the Board of Directors hold office for their terms and until a successor has been duly appointed and confirmed. Any Board Member shall be eligible for reappointment, but Board Members may not serve more than two consecutive full terms. The present members of the Board of Directors of the Authority are set forth in the following table:

**Board of Directors of the Authority**

| Name | Affiliation | End of Current Term |
|---|---|---|
| Jennifer Kermode<br>Chair [1] | Retired; Gunnison, Colorado | July 1, 2025 |
| Albus Brooks<br>Chair Pro Tem[2] | Vice President, Business Development and Public Affairs; Milender White; Denver, Colorado | July 1, 2027 |
| Stefka Fanchi<br>Secretary/Treasurer[3] | CEO, Elevation Community Land Trust | July 1, 2025 |
| Maria De Cambra | Executive Director, Colorado Department of Local Affairs; Denver, Colorado | At the pleasure of the Governor |
| Steven Cordova | Executive Director; Total Concept (previously Tri-County Housing & Community Development Corporation); Pueblo, Colorado | July 1, 2025 |
| Amber Hills, | President, Southwest Market, FirstBank; Lakewood, Colorado | July 1, 2025 |
| Kerri Hunter | Colorado State Auditor; Denver, Colorado | Standing |
| Jason Peasley | Executive Director; Yampa Valley Housing Authority; Steamboat Springs, Colorado | July 1, 2027 |
| Santhosh Ramdoss | President, CEO and Chief Investment Officer, Gary Community Ventures; Denver, Colorado | July 1, 2027 |
| Marc Snyder[4] | State Senator; Manitou Springs, Colorado | February 10, 2027 |
| Sylvia Ann Wirba | Partner, Wagenlander & Heisterkamp LLC; Boulder, Colorado | July 1, 2025 |

(1) This Board member was elected as Chair of the Board effective March 27, 2025.
(2) This Board member was appointed as Chair Pro Tem of the Board effective March 27, 2025.
(3) This Board member was appointed as Secretary/Treasurer of the Board effective March 27, 2025.
(4) This Board member serves for the legislative biennium and the position is appointed at the beginning of the regular legislative session held in odd-numbered years.

The Authority employs a staff of approximately 215 persons, including persons who have experience and responsibilities in the areas of finance, accounting, law, mortgage loan underwriting, loan servicing, housing development, market analysis, construction, marketing, government relations and asset management. The executive officers and select senior staff of the Authority are as follows:

**Thomas Bryan**, Executive Director and CEO, was appointed as Executive Director and CEO in March 2025, after serving as Chief Financial Officer since May 2019. Prior to joining the Authority, Mr. Bryan served as the Controller for the City of Centennial, Colorado from 2010-2014 and as the Accounting Manager for the Town of Parker, Colorado from 2006 – 2010. He graduated with a Bachelor of Science degree in Business and Accounting from the University of Phoenix and earned his Master of Business

Administration degree from DeVry University's Keller Graduate School of Management. Mr. Bryan is a Certified Public Accountant with an active license in the State of Colorado and has obtained the designation of Certified Public Funds Investment Manager through the Association of Public Treasurers of the United States and Canada.

**Steve Johnson**, Chief Operating Officer, was appointed as Chief Operating Officer in May 2024, after serving as Director of Community Development since July 2010. Mr. Johnson began working for the Authority in 1996 as a Business Finance Loan Officer. In 1999, he was promoted to Manager of Business Lending Production. Mr. Johnson is a board member of the Council of Development Finance Agencies (CDFA). He graduated from Hillsdale College in Michigan with a Bachelor of Arts degree in marketing and finance.

**Heather E. Schell,** General Counsel and Assistant Secretary, was appointed as General Counsel and Assistant Secretary in December 2019 after a nationwide search. Ms. Schell joined the Authority in January 2013 and since that time has provided primary legal counsel for several areas of the organization, including multifamily and business lending, housing tax credit allocation and compliance, and asset management. Most recently, Ms. Schell held the position of Senior Managing Attorney, in which she oversaw the commercial loan closing process for the Authority and supervised the legal department's staff attorneys and legal support staff. Prior to joining the Authority, Ms. Schell worked in private practice, with an emphasis on real estate and bankruptcy law. Ms. Schell has experience in the areas of real estate, mortgage finance, commercial transactions, banking, bankruptcy, housing tax credits, and work-outs. She received her Bachelor of Arts degree, with distinction, from the University of Virginia and graduated with honors from the University of Texas School of Law.

**Guadalupe Gutierrez-Vasquez**, Chief Financial Officer, was appointed as Chief Financial Officer in May 2025. Prior to joining the Authority, Ms. Gutierrez-Vasquez served as the Director of the Cash and Capital Funding Division within the Department of Finance for the City and County of Denver. Additionally, Ms. Gutierrez-Vasquez has contributed her insight and governance experience as a board member for the Denver Employees Retirement Plan and the Denver Colorado Convention Center Hotel Authority. She received her bachelor's degree in Finance and International Business from the University of Colorado at Denver.

**Jerilynn Martinez Francis** was named Chief Communications and Community Partnerships Officer in January 2023. Ms. Francis joined the Authority in 2007 and has been a member of its leadership team since 2013. Prior to her current role, Ms. Francis served as the Director of Marketing and Community Relations for the Authority, leading the organization's public policy, communications, community relations, marketing, and corporate giving functions. She has more than 20 years of experience in Colorado's state and local housing policy and communications landscape and has been instrumental in expanding the Authority's statewide community partnerships programming. Prior to joining the Authority, Ms. Francis was the vice president of public affairs for the Home Builders Association of Metro Denver. Ms. Francis received her bachelor's degree from Colorado State University and her master's degree from the University of Denver.

**Denver Maw** was named Director of Finance in July 2020. Mr. Maw joined the Authority in 2013 and most recently served as the Finance Manager, overseeing the Authority's debt issuance and administration. Prior to joining the Authority, Mr. Maw worked in the Capital Funding area of the City of Denver's Finance Department. Mr. Maw graduated from the University of Utah with bachelor's degrees in economics and political science. He continued his graduate studies in economics at the University of Utah and has taught various economics courses at undergraduate and graduate levels.

**Dan McMahon** was named Director of Home Finance on February 5, 2013 after serving as Interim Director of Home Finance since November 27, 2012. Mr. McMahon joined the Authority in March 2000

and most recently served as Manager of Home Finance Loan Production. Mr. McMahon received a Bachelor of Arts Degree and a Master's Degree in Non-Profit Management from Regis University in Denver, Colorado.

**Cindy Adams** was named Director of Accounting/Controller in February 2021. Ms. Adams joined the Authority in 2011 and most recently served as the Financial Reporting Manager. Prior to joining the Authority, Ms. Adams worked with multiple financial institutions as an accounting manager and an internal auditor. Ms. Adams received a Bachelor of Arts degree in Accounting from the University of Central Arkansas and a Master of Business Administration degree from Regis University in Denver, Colorado. She is a Certified Public Accountant with an active license in the State of Colorado.

**Kristi Budish** was named Director of Community Development in July 2024. Since joining the Authority in 2010, Ms. Budish has served in a variety of roles in both Asset Management and Community Development, most recently as Manager of Commercial Operations & Underwriting. Prior to joining the Authority, Ms. Budish was vice president of a boutique development firm in Denver and held several positions at Equity Residential (EQR). Ms. Budish received a Bachelor of Arts Degree from the University of Colorado, Denver.

**Employees and Pension Information**

As of May 1, 2025, the Authority had approximately 213 full-time employees and 2 part-time employees, all of whom were members of the Public Employees' Retirement Association of Colorado ("**PERA**"). The Authority provides its employees with pension benefits through both a defined benefit and defined contribution pension plan as administered by PERA. State statutes required the Authority to contribute 13.76% of each participating employee's gross salary to PERA in 2024. In 2024, the Authority's PERA contribution totaled approximately $3.1 million.

In accordance with generally accepted accounting principles, the Authority recognizes pension liabilities based on its proportionate share of the collective net pension liability of the PERA pension trust. The Authority has no legal obligation to fund any of PERA's unfunded pension liability beyond its required annual contribution to the trust nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA or the General Assembly. For more information with respect to the Authority's participation in PERA, see footnote (12) of the audited 2024 financial statements of the Authority, attached as Appendix G.

**Insurance Coverage**

The Authority presently maintains commercial general and premises liability, business automobile liability, property, mortgage protection, worker's compensation, crime, cyber and public entity and official's liability insurance coverage.

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**Selected Financial Information**

The following are the Statement of Net Position as of December 31, 2024 and Statement of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2024, which are from the audited financial statements of the Authority for the year ended December 31, 2024 attached as **Appendix G** hereto. The audited financial statements of the Authority also provide certain financial information about the Authority on a fund accounting basis, including a description of its General Fund. This information has been included solely for purposes of providing a general overview for potential purchasers of the financial status of the Authority given that the Authority operates the programs which result in the Mortgage Loans securing the Bonds and Auxiliary Obligations under the Master Indenture and also services such Mortgage Loans. See "Obligations of the Authority" and "The General Fund" under this caption. See also "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." The Bonds and Auxiliary Obligations are limited obligations of the Authority secured by and payable from the Trust Estate, except in the limited case of those Bonds and Auxiliary Obligations designated as general obligations of the Authority. The Offered Bonds are ***not*** being designated as general obligations of the Authority. *The overall financial status of the Authority does not indicate and will not necessarily affect whether amounts will be available in the Trust Estate to pay principal and interest on Bonds (including the Offered Bonds) when due.*

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**Colorado Housing and Finance Authority**
**Combining Schedule—Statement of Net Position**
**December 31, 2024**
**(in thousands of dollars)**

## Colorado Housing and Finance Authority
## Statement of Net Position
**As of December 31, 2024 and 2023**
*(in thousands of dollars)*

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | | |
| Restricted | $ 192,120 | $ 155,828 |
| Unrestricted | 14,979 | 13,917 |
| Investments (partially restricted, see note 2) | 514,160 | 555,574 |
| Loans receivable (partially restricted, see note 3) | 59,446 | 49,188 |
| Loans receivable held for sale | 131,593 | 120,987 |
| Other current assets | 73,297 | 56,460 |
| Total current assets | 985,595 | 951,954 |
| Noncurrent assets: | | |
| Investments (partially restricted, see note 2) | 3,648,253 | 2,700,824 |
| Loans receivable, net (partially restricted, see note 3) | 1,723,928 | 1,426,426 |
| Derivative instruments | 100,698 | 53,493 |
| Capital assets, net | 10,593 | 11,403 |
| Other assets | 146,213 | 133,080 |
| Total noncurrent assets | 5,629,685 | 4,325,226 |
| **Total assets** | 6,615,280 | 5,277,180 |
| **Deferred outflows of resources** | | |
| Accumulated fair value of hedging derivatives | 13,759 | 31,695 |
| Pension and OPEB contributions and investment earnings | 10,192 | 12,941 |
| Refundings of debt | 931 | 878 |
| **Total deferred outflows of resources** | 24,882 | 45,514 |
| **Liabilities** | | |
| Current liabilities: | | |
| Short-term debt | 327,134 | 206,502 |
| Bonds payable | 265,765 | 147,400 |
| Notes payable | 59 | 59 |
| Hybrid instrument borrowings | 484 | 623 |
| Other current liabilities | 193,589 | 157,344 |
| Total current liabilities | 787,031 | 511,928 |
| Noncurrent liabilities: | | |
| Bonds and notes payable | 4,809,058 | 3,862,156 |
| Hybrid instrument borrowings | 1,350 | 2,282 |
| Net pension and OPEB liability - proportionate share | 20,395 | 25,532 |
| Other liabilities | 85,992 | 58,513 |
| Total noncurrent liabilities | 4,916,795 | 3,948,483 |
| **Total liabilities** | 5,703,826 | 4,460,411 |
| **Deferred inflows of resources** | | |
| Accumulated fair value of hedging derivatives | 107,079 | 79,842 |
| Pension and OPEB investment differences | 792 | 851 |
| **Total deferred inflows of resources** | 107,871 | 80,693 |
| **Net position** | | |
| Investment in capital assets, net of related debt | 1,533 | 1,969 |
| Restricted by grants | 2,638 | 7,344 |
| Restricted primarily by bond indentures | 129,577 | 96,955 |
| Unrestricted | 694,717 | 675,322 |
| **Total net position** | $ 828,465 | $ 781,590 |

*See accompanying notes to basic financial statements.*

**Colorado Housing and Finance Authority**
**Combining Schedule - Statement of Revenues, Expenses and Changes in Net Position**
**For the year ended December 31, 2024**
**(in thousands of dollars)**

## Colorado Housing and Finance Authority
## Statement of Revenues, Expenses and Changes in Net Position
**For the years ended December 2024 and 2023**
*(in thousands of dollars)*

| | 2024 | 2023 |
|---|---|---|
| **Interest income and expense:** | | |
| Interest on loans receivable | $ 57,701 | $ 53,745 |
| Interest on investments | 196,706 | 115,781 |
| Interest on debt | (197,143) | (126,670) |
| Net interest income | 57,264 | 42,856 |
| **Other operating income:** | | |
| Gain on sale of loans | 17,358 | 19,276 |
| Investment derivative activity gain | 2,034 | 358 |
| Net decrease in the fair value of investments | (10,005) | 51,099 |
| Other revenues | 81,356 | 71,592 |
| Total other operating income | 90,743 | 142,325 |
| Total operating income | 148,007 | 185,181 |
| **Operating expenses:** | | |
| Salaries and related benefits | 30,305 | 33,120 |
| General operating | 71,752 | 67,829 |
| Depreciation | 1,170 | 1,071 |
| Provision for loan losses | 543 | 10,065 |
| Total operating expenses | 103,770 | 112,085 |
| **Net operating income** | 44,237 | 73,096 |
| **Nonoperating income and expenses:** | | |
| Grant revenues | 193,574 | 188,388 |
| Grant expenses | (190,936) | (181,044) |
| Total nonoperating income and expenses | 2,638 | 7,344 |
| **Change in net position** | 46,875 | 80,440 |
| **Net position:** | | |
| Beginning of year | 781,590 | 701,150 |
| End of year | $ 828,465 | $ 781,590 |

*See accompanying notes to basic financial statements.*

**The General Fund**

***Generally***. CERTAIN OBLIGATIONS UNDER THE MASTER INDENTURE HAVE BEEN OR MAY IN THE FUTURE BE DESIGNATED AS GENERAL OBLIGATIONS OF THE AUTHORITY. SEE "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS" AND **APPENDIX B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." THE FOLLOWING INFORMATION REGARDING THE AUTHORITY'S GENERAL FUND IS PROVIDED ONLY IN CONNECTION WITH OBLIGATIONS WHICH HAVE BEEN OR ARE IN THE FUTURE SO DESIGNATED.

The General Fund is funded principally from gains achieved by selling Mortgage Backed Securities; servicing fees payable to the Authority in connection with outstanding loans; fee income, including administrative fees payable by the federal government in connection with the Section 8 (defined below) housing assistance payments program, loan fees payable to the Authority by borrowers and contract management administrative fees; income on investments and mortgage loans held temporarily (for warehousing purposes) and permanently in the General Fund; and reimbursement of administrative expenses and other allowable transfers from other funds (including the transfer of assets in excess of specified parity levels from other bond issues). Uses of amounts in the General Fund include payment of general and other administrative expenses and payment of costs relating to those activities deemed necessary to fulfill the Authority's corporate purposes and not payable from other funds of the Authority. The General Fund itself is *not* subject to any pledge created under the Master Indenture.

The Authority's Board, in its discretion, has historically from time to time designated portions of the General Fund unrestricted net position to particular purposes, and may do so in the future, which may affect the availability of the General Fund for payments in connection with any Bonds or Auxiliary Obligations which have been designated as general obligations. The designations have been or may be for particular uses by means of annual appropriations to certain programs, the establishment of reserves in limited situations and the imposition of restrictions on the fund balance. Designations by the Authority's Board using each of these means may also be redesignated at any time in the Board's discretion. The Authority's Board also annually designates certain amounts of the unrestricted net position of the General Fund (net of amounts previously appropriated or restricted for various funds, debt service reserves, or operating reserves) for the benefit of the holders of certain bonds of the Authority in the event that no other moneys are legally available for debt service payments. As long as the Authority is not in default under the related indenture or resolution for such bonds, the Board may withdraw such designations at any time. For more information with respect to the designated portion of the Authority's General Fund unrestricted net position, see footnote (11) of the audited 2024 financial statements, attached as **Appendix G**.

***Financial Information for the General Fund***. The following table sets forth historical selected financial information for the General Fund for the five years ended December 31, 2024 as provided by the Authority.

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**Colorado Housing and Finance Authority**
**General Fund**
**Selected Financial Information**
**Years Ended December 31**
**(in thousands of dollars)**

| | FY 2024 | FY 2023 | FY 2022 | FY 2021 | FY 2020 |
|---|---|---|---|---|---|
| Interest and investment revenue: | | | | | |
| Loans receivable | $19,959 | $21,712 | $15,989 | $12,832 | $12,887 |
| Investments | 10,709 | 3,106 | 450 | 3,662 | 1,040 |
| Net increase (decrease) fair value of long-term investments | (8,761) | 3,040 | (1,450) | (67) | (67) |
| Total interest and investment revenue | 21,907 | 27,858 | 14,989 | 16,427 | 13,860 |
| Interest expense – bonds, notes payable, LOC | 14,516 | 15,419 | 4,828 | 2,865 | 4,638 |
| Net interest and investment revenue | 7,391 | 12,439 | 10,161 | 13,562 | 9,222 |
| Other revenue (expense): | | | | | |
| Fees and miscellaneous income | 98,714 | 90,862 | 117,154 | 179,092 | 185,269 |
| Hedging activity loss | 913 | (543) | (1,582) | 5,580 | (5,812) |
| Nonoperating income/expense, net | 2,637 | 7,344 | 6,283 | 2,361 | 11,065 |
| Gain on sales of capital assets | - | - | - | - | - |
| Total other revenue | 102,264 | 97,663 | 121,855 | 187,033 | 190,522 |
| Net revenue | 109,655 | 110,102 | 132,016 | 200,595 | 199,744 |
| Operating expenses: | | | | | |
| Salaries and related benefits[(1)] | 30,305 | 33,120 | 19,555 | 25,251 | 20,613 |
| General operating | 60,161 | 54,171 | 36,660 | 80,363 | 89,508 |
| Provision for losses | 1,202 | 4,168 | 2,083 | 394 | 2,046 |
| Transfers | (4,963) | (5,019) | (4,751) | (4,925) | (5,899) |
| Depreciation | 1,171 | 1,073 | 1,075 | 798 | 913 |
| Total operating expense | 87,876 | 97,551 | 54,622 | 101,881 | 107,181 |
| Change in net assets | 21,779 | 22,589 | 77,394 | 98,714 | 92,563 |
| Restatement due to GASB 68 | -- | -- | -- | -- | -- |
| Restatement due to GASB 75 | -- | -- | -- | -- | -- |
| Net Assets, end of year | $ 699,025 | $ 677,246 | $ 654,657 | $ 577,263 | $478,549 |
| Bonds, Notes Payable, LOC | $ 327,569 | $ 206,496 | $ 203,344 | $ 247,671 | $229,223 |
| Total Assets | $1,275,770 | $1,087,617 | $1,056,199 | $1,113,851 | $992,771 |

(1) Includes the Authority's contributions to PERA. See footnote (12) to the audited financial statements of the Authority attached as **Appendix G** for more information regarding the Authority's participation in PERA.

Sources: Derived based on the audited financial statements of the Authority for years ended December 31, 2020-2024. See the audited 2024 financial statements attached as **Appendix G** hereto.

**Authority Policy Regarding Swaps**

The Master Indenture permits the Authority to enter into "Auxiliary Agreements," which include interest rate exchange or swap contracts, cash flow exchange contracts, forward swaps, interest rate floors, caps or collars and other derivative products which qualify as "Interest Rate Contracts" under the Indenture. See **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—The Outstanding Auxiliary Obligations—Outstanding Interest Rate Contracts." Under the master indenture relating to its Multi-Family/Project Bonds, the Authority is also permitted to, and has entered into, certain derivative obligations which are described in footnote (8) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

**Programs to Date**

The following is a brief summary of the programs currently operated by the Authority. This summary has been included solely for purposes of providing information about the Authority's activities to assist a potential investor in evaluating the Authority and its programs. **Except as otherwise described herein, the loans and sources of revenues referred to below are not pledged in any way as security for the Offered Bonds. See "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS."** See also "Obligations of the Authority" under this caption.

***Single Family Mortgage Program***. Under the Authority's single-family mortgage programs (collectively, the "**Single Family Mortgage Program**"), the Authority may make mortgage loans for single-family residential dwellings directly to individual borrowers or may purchase such mortgage loans from qualified originating Mortgage Lenders. The Authority currently operates both Qualified (tax-exempt) and Non-Qualified (taxable) Single Family Mortgage Programs. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM—Background."

Under its Qualified Single Family Mortgage Program, the Authority may make mortgage loans to Borrowers meeting certain income limit requirements, for property meeting all applicable requirements for purchase under the Single Family Program (each an "**Eligible Property**") not exceeding certain Purchase Price limits, and subject to certain other restrictions imposed, in some cases, by the Code. The Authority permits Borrowers under its Non-Qualified Single Family Mortgage Program to meet certain income limits which are generally somewhat higher than the limits permitted for the Qualified Single Family Mortgage Program. Except for the CHFA SectionEight℠ Homeownership programs, which have prior homeownership restrictions, there is no limit imposed by the Authority on prior home ownership or limit on the purchase price of a residence which may be acquired with the proceeds of a loan under the Non-Qualified Single Family Mortgage Program, although all such mortgage loans must meet applicable loan limits. Proceeds of a mortgage loan under the Non-Qualified Single Family Mortgage Program may also be used under the Authority's refinancing program to refinance existing Mortgage Loans. If existing Mortgage Loans are so refinanced and paid in full, such payments would be treated as Prepayments of the existing Mortgage Loans and could be used to redeem Bonds. See "TERMS OF THE OFFERED BONDS – Prior Redemption." In many other respects, the requirements for the Authority's Non-Qualified Single Family Mortgage Program are the same as the requirements for a Qualified Single Family Mortgage Program. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." For certain information regarding the outstanding mortgage loans acquired under the Single Family Mortgage Program, see footnote (3) to the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

A significant number of the Authority's single-family mortgage loans include down payment assistance in the form of grants or second mortgage loans to borrowers. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM."

***Commercial Loan Programs***. The Authority's Community Development Division encompasses the Authority's Low Income Housing Tax Credit allocation unit, and the Community Development Lending team, which is comprised of the Multifamily Affordable Housing Lending ("**Multifamily Lending**") and Business Finance Lending programs.

*Multifamily Lending Programs*. The Multifamily Lending programs provide financing to sponsors of affordable rental housing properties. Financing options include construction to permanent loans, permanent-only loans, acquisition loans, acquisition/rehabilitation loans and, in certain circumstances, refinancing of existing debt. Other financing structures may be considered, based upon the property characteristics and sub-market due diligence, as well as the demonstrated experience and financial capacity of the sponsor.

The mortgages originated under the multifamily loan programs include a combination of insured and uninsured mortgages. The Authority is a Tier I lender under Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "**Risk-Share Program**"), which provides insurance on multifamily loans and is a credit enhancement mechanism available only to qualified housing and finance agencies acting as the mortgage lender. These insured loans have been funded by the Authority as described in "Obligations of the Authority—Commercial Loan Programs" under this caption. In the case of a claim under the Risk-Share Program, the Authority is responsible to reimburse the U.S. Department of Housing and Urban Development ("**HUD**") for 50% of any loss incurred by HUD as a result of and after settlement of such claim. See "Obligations of the Authority—General Obligations—Loans Backed by Authority General Obligation" under this caption. For certain information regarding the Authority's outstanding insured multifamily rental loans, see footnote (3) to the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

The Authority also makes uninsured multifamily loans to public housing authorities, nonprofit and for-profit borrowers. The Authority has made certain multifamily rental loans to for-profit borrowers in support of certain rental housing facilities at Fort Carson Army Base and at the United States Air Force Academy in Colorado Springs, Colorado.

Uninsured multifamily loans have also been made by the Authority using funds from amounts in its General Fund designated as the Housing Opportunity Fund ("**HOF**"); specifically, the Authority makes fixed interest rate loans and provides interest rate subsidies to nonprofit and for-profit borrowers in support of various housing purposes including: rental housing facilities targeted to support affordable rental housing, middle income projects, single family construction loans and resident owned mobile home parks. All HOF loans must conform to standard Authority diligence processes and underwriting criteria, unless waived in accordance with the Authority's standard process, and will be secured by either first or subordinate mortgages on real estate (maximum combined Loan to Value/Cost varies depending on loan type). Loan terms on HOF loans may range up to 40 years.

Under its Rental Acquisition Program, the Authority has in the past acquired and rehabilitated apartment buildings located throughout Colorado for rental to persons and families of low and moderate income. At the present time, the Authority does not own any facilities under this program. The Authority may in the future seek opportunities to acquire other rental properties in underserved areas within the State of Colorado at such time as such transactions support the goals of the Authority with respect to affordable rental housing in Colorado.

*Business Finance Programs*. The Authority originates uninsured loans as part of its direct business loan programs, including the CHFA Direct Loan Program, the Non-Profit Real Estate Loan Program, the U.S. Small Business Administration 504 Program (the "**SBA 504 Program**"), the CHFA Rural Loan Program and the Rural Development Loan Program ("**RDLP**") described below. These business loans must meet certain economic development or job creation/retention objectives under the Act and are

typically made to Colorado businesses to provide long-term, fixed rate financing for real estate and equipment. Generally, the uninsured direct business loans are secured by a first lien on the real estate or the assets financed, are made in amounts up to 90% of the lesser of cost or appraised value of the collateral, are fully-amortizing over terms of up to thirty years for real estate loans and seven years for equipment, and in the case of for-profit businesses, generally require guarantees from principals of the business having a 20% or greater ownership interest. A guaranty is also required from the operating company if different from the Borrower. Some of the Authority's small business loans may carry credit enhancement by an agency or instrumentality of the United States under an insurance program requiring payment of not less than 50% of the principal amount of such mortgage in the event of default. Direct small business loans insured to date have utilized the USDA Rural Development guarantee programs.

- Under the CHFA Direct Loan Program, the Authority provides loans to for-profit businesses to acquire, construct and/or rehabilitate and equip commercial, retail or manufacturing facilities.

- Under the Non-Profit Real Estate Loan Program, the Authority provides loans to non-profit organizations to fund real estate acquisition, construction/rehabilitation, and/or refinancing.

- Under the SBA 504 Program, the Authority provides direct loans to for-profit businesses to finance owner-occupied real estate and/or equipment in accordance with the Authority's small business loans underwriting criteria and applicable program guidelines.

- RDLP was created through a partnership with the USDA Intermediary Relending Program to provide financing for community and economic development projects based in rural areas of Colorado. Rural communities are defined as those with populations of less than 25,000. Under the program, the Authority originates direct loans for small businesses to finance real estate, machinery, and equipment providing the borrower with a long-term, fixed interest rate throughout the term of the loan. The maximum loan size is $500,000.

The Authority has also financed business loans to corporations, partnerships, and limited liability companies for certain manufacturing and solid waste disposal projects.

*Contract Management*. The Authority provides contract management administration by serving as fund administrator to third-party organizations whose activities align with its mission. The contracts range from overseeing programs that are designed to increase access to capital for small business lending to managing revolving loan funds and loan programs. The Authority's role may include registration of third-party originated loans, underwriting loans on behalf of a funder, and/or closing and servicing responsibilities. In exchange for these services, the Authority earns a fee either through the collection of an administrative fee and/or spread income on loans serviced.

One of the contract management administration roles performed by the Authority is with HUD for the provision of Performance-Based Contract Administration ("**PBCA**") services under Section 8 of the United States Housing Act of 1937, as amended ("**Section 8**"). The Authority entered into an annual contribution contract ("**ACC**") with HUD in 2001 (the "**Colorado ACC**"), which was renewed until 2011. A solicitation issued by HUD at that time for PBCA services and subsequent actions were protested by numerous states and the protests were supported by the U.S. Government Accountability Office ("**GAO**"). The GAO determination was appealed by HUD and numerous suits and countersuits followed. Since 2011, the Colorado ACC has been extended multiple times, and the Authority has continued to perform the PBCA services and receive significant fees.

The Authority and HUD entered into a contract amendment to the ACC which positions the contract for the anticipated transition to Federal Acquisition Regulation compliant contract vehicles. The amendment includes: an extension until January 31, 2026 subject to the availability of appropriations and a HUD option to extend the ACC for up to four additional six-month extension terms through January 31, 2028, as needed.

**Obligations of the Authority**

The following is a summary of certain obligations incurred by the Authority to provide funds for and otherwise operate the Authority and the programs described in "Programs to Date" under this caption. This summary has been included solely for purposes of providing information to assist a potential investor in evaluating the Authority's financial status. See also footnote (6) to the audited 2024 financial statements of the Authority included in **Appendix G** hereto.

***Single Family Mortgage Program***. In connection with its Single Family Mortgage Program, the Authority has issued its Single Family Mortgage Bonds and Notes (referred to as "**Bonds**" in this Official Statement), payable from the revenues of mortgage loans held under the Master Indenture dated as of October 1, 2001, outstanding as of May 1, 2025 in the aggregate principal amount of $4,180,523,992[*]. See **Appendix B-1** for further detail about the Bonds and related arrangements.

In connection with its Single Family Mortgage Program, the Authority has also issued its Single Family Program Bonds (Homeownership Bonds) under a master indenture dated as of December 1, 2009 (the "**Homeownership Indenture**"), payable from the revenues of the mortgage loans held thereunder, outstanding as of May 1, 2025 in the aggregate principal amount of $197,733,120.

The Authority's financing activities in connection with the Single Family Mortgage Program may also include the sale of certain single-family mortgage loans to Fannie Mae and Freddie Mac, and the issuance and/or sale of Fannie Mae Certificates, Freddie Mac Certificates and Ginnie Mae Certificates in order to finance certain first mortgage loans. See footnote (15) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto for a discussion of the Authority's obligation to advance funds to holders of such Ginnie Mae Certificates in the event of a defaulted mortgage loan and amounts so advanced in fiscal years 2023 and 2024. Proceeds of bonds under the Single Family Master Indenture may be used to finance second mortgage loans and/or down payment assistance grants relating to such first mortgage loans financed by and securing the Ginnie Mae Certificates, Fannie Mae Certificates or Freddie Mac Certificates. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM—Background" and "Program Features—Down Payment and Closing Cost Assistance."

For more detailed information concerning the outstanding bonds of the Authority issued in connection with its Single Family Mortgage Programs, see footnote (6) of the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

***Commercial Loan Programs***. The Authority has financed multifamily rental loans with proceeds of its Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds under a Master Indenture of Trust dated as of June 1, 2013 (the "**Federally Insured Multifamily Housing Loan Program Master Indenture**") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, outstanding as of May 1, 2025 in the aggregate principal amount of $80,595,879. Since 2000, the Authority has financed rental and business loans, and participation interests representing the guaranteed portions of certain loans, with proceeds of its Multi-Family/Project Bonds under the Master Indenture of Trust dated as of March 1, 2000 by and between the Authority and Computershare Trust

[*] Subsequent to May 1, 2025, the Authority issued the 2025 Series EFG Bonds in the aggregate principal amount of $150,000,000 and the 2025 Series H Bonds in the aggregate principal amount of $200,000,000.

Company, National Association, successor to Wells Fargo Bank, National Association, as Trustee, (the "**Multi-Family/Project Indenture**") which were outstanding as of May 1, 2025 in the aggregate principal amount of $859,470,000*. Certain of the Multi-Family/Project Bonds are secured by the full faith and credit of the Authority, as described in "General Obligations—Multi-Family/Project Bonds" under this caption.

Bonds secured by a pledge of loan revenues as well as bonds secured by loan revenues and the general obligation of the Authority have also been privately placed to institutional purchasers by the Authority in order to finance multifamily rental loans. See "General Obligations—Privately Placed Bonds" under this caption. See footnote (6) of the audited 2024 financial statements of the Authority included in **Appendix G** hereto for more information regarding these outstanding bonds and notes.

The Authority has also acted as a conduit issuer of bonds, including industrial development revenue bonds, to finance certain mortgage loans on behalf of housing developers and nonprofit 501(c)(3) entities and to finance manufacturing facilities and solid waste disposal facilities on behalf of companies. The Authority is only obligated to make payments on these conduit bonds to the extent it receives funds for that purpose from the conduit borrower or some other party, such as a third-party credit enhancer. As the Authority's credit is not part of these transactions, these conduit bonds are not reported as obligations of the Authority on its financial statements. See footnote (7) of the audited 2024 financial statements of the Authority included in **Appendix G** hereto.

Business loans and participation interests have also been financed by the Authority with the proceeds of the general obligation bonds described in "General Obligations—General Obligation Ratings" and privately placed bonds, secured by loan and participation revenues as well as the full faith and credit of the Authority. See "General Obligations—Privately Placed Bonds" under this caption.

**Except for the Bonds outstanding under the Master Indenture, the revenue bonds described above and on the Authority's website are secured separately from and are not on parity with the Offered Bonds and are issued and secured under resolutions or indentures of the Authority other than the Master Indenture.**

***General Obligations***. Many of the bonds and notes issued by the Authority to finance its programs are secured by a pledge of specific revenues, with an additional pledge of its full faith and credit, as described under this caption. Other obligations of the Authority entered in connection with its programs or its operations are not secured by specific revenues or assets other than the Authority's full faith and credit. The bonds, notes and other obligations which are general obligations of the Authority are described below.

*Multi-Family/Project Bonds*. The Authority has issued certain Class I Multi-Family/Project Bonds (outstanding as of May 1, 2025 in the aggregate principal amount of $35,570,000) in order to finance certain rental and business loans which are payable not only from a senior lien on loan revenues under the Multi-Family/Project Indenture but also as general obligations of the Authority. The Authority has also issued certain Class II Multi-Family Bonds (outstanding as of May 1, 2025 in the aggregate principal amount of $5,500,000) in order to finance certain rental and business loans which are payable not only from a lien on loan revenues under the Multi-Family/Project Indenture but also as general obligations of the Authority. These Class II Bonds are payable from loan revenues on a subordinate lien basis to the Class I Bonds.

*Single Family Bonds – Class III Bonds*. The Authority has also issued Class III Bonds under the Master Indenture, the proceeds of which have been used to finance mortgage loans for the Single Family Mortgage Program. These Class III Bonds, outstanding in the aggregate principal amount of $175,760,000

* Subsequent to May 1, 2025, the Authority expects to issue $36,725,000 in aggregate principal amount of its Multi-Family/Project Bonds 2025 Series H under the Multi-Family/Project Indenture.

as of May 1, 2025, are payable from mortgage loan revenues under the Master Indenture and are also general obligations of the Authority. See **Appendix B-1** for more information about these Class III Bonds.

*Privately Placed Bonds*. The Authority has issued general obligation bonds through private placements in order to finance multifamily rental loans. As May 1, 2025, such privately placed bonds were outstanding in an aggregate principal amount of $-0-.

*Loans Backed by Authority General Obligation*. The Authority has acquired or originated certain uninsured rental and business loans using proceeds of, and pledged to the repayment of, its Multi-Family/Project Bonds, outstanding as of May 1, 2025 in the aggregate principal amount of $137,504,948. The Authority has pledged its full faith and credit to the payment of a substantial portion of such loans. The Authority has also assumed, as a general obligation, 50% risk of loss in the mortgage loans acquired by the Authority and insured by the FHA under the Risk-Share Program. As of May 1, 2025, such mortgage loans insured under the Risk-Share Program were outstanding in the amount of $424,298,906 ($158,207,397 held under the Multi-Family/Project Indenture, $80,587,559 held under the Federally Insured Multifamily Housing Loan Program Indenture and $185,503,950 held in the Authority's General Fund).

In the case of a claim under the Risk-Share Program, the Authority is responsible, as a general obligation, to reimburse HUD for 50% of any loss incurred by the FHA as a result of and after the final settlement of such claim. See "Programs to Date—Commercial Loan Programs—Multifamily Lending Programs" under this caption. The Authority has not incurred losses under the Risk-Share Program since 2014. Losses include the defaults on such insured mortgage loans, the foreclosure and sale of those projects and the settlement of the respective final insurance claims with HUD. Presently, the Authority has no risk-share loans in foreclosure.

*Interest Rate Contracts; Derivative Products*. The Authority has pledged its full faith and credit to secure its obligation to make termination payments under the Interest Rate Contracts relating to the Bonds under the Master Indenture and under the derivative products relating to the Multi-Family/Project Bonds under the Multi-Family/Project Master Indenture. See **Appendix B-1**—"OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—the Outstanding Auxiliary Obligations." See also "Authority Policy Regarding Swaps" above and footnote (8) to the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

*Other Borrowings*. The Authority has entered into an agreement with the Federal Home Loan Bank of Topeka ("**FHLB**") for collateralized borrowings in an aggregate amount not to exceed the lending limit internally established by the FHLB, which is 40% of the Authority's total assets (the "**FHLB Agreement**"). Amounts drawn under the FHLB Agreement bear interest at the same rates charged by the FHLB to its member banks and are collateralized by certain Mortgage Loans and investments. The Authority has also entered into an agreement with Wells Fargo Bank National Association for an unsecured line of credit in an amount not to exceed $400 million (the "**Wells Fargo Agreement**"). Amounts drawn under the Wells Fargo Agreement bear interest at a variable rate based upon the sum of the Daily Simple Secured Overnight Financing Rate ("**SOFR**") plus an applicable spread. The Wells Fargo Agreement terminates December 3, 2025. The Authority has also entered into an unsecured line of credit in an amount not to exceed $75 million with FirstBank (the "**FirstBank Agreement**"). Amounts drawn under the FirstBank Agreement bear interest at a variable rate based upon the sum of SOFR plus an applicable spread. The FirstBank Agreement terminates on June 30, 2026.

Amounts drawn under each of these agreements are used to support the Authority's various lending programs by purchasing loans pending the permanent financing of such loans and, with respect to amounts drawn under the FHLB Agreement, for activities related to the Authority's volume cap preservation program. As of May 1, 2025, borrowings in the aggregate principal amount of $461,111,331 were

outstanding under these agreements, with $146,211,331 outstanding under the FHLB Agreement, $239,900,000 outstanding under the Wells Fargo Agreement and $75,000,000 outstanding under the FirstBank Agreement. See footnote (5) to the audited 2024 financial statements of the Authority attached as **Appendix G** hereto.

The Authority has also borrowed amounts evidenced by Rural Business Cooperative Service Notes (outstanding as of May 1, 2025 in the aggregate principal amount of $429,711), which have been used to finance project or working capital loans or participations therein for small businesses in rural areas. The Authority has pledged its full faith and credit to the payment of such notes.

*General Obligation Ratings*. Moody's has assigned an "Aa3" rating and S&P has assigned an "AA-" rating, both with a stable outlook, to the Authority's ability to repay its general obligation liabilities. The ratings have been assigned based on the Authority's management, financial performance and overall program performance. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by Moody's or S&P, respectively, if, in the judgment of the issuing rating agency, circumstances so warrant.

***Summary of Certain Authority Obligations***. The following is a table which lists certain obligations of the Authority and sets forth the respective outstanding amount for such obligations as of May 1, 2025. Further detail regarding these items is provided under the other subcaptions of "Obligations of the Authority."

**Summary of Certain Authority Obligations as of May 1, 2025**

| **Certain Authority Obligations** | **Outstanding Amount** |
|---|---|
| Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (MF Pass-Through Indenture) | $ 80,595,879 |
| Multi-Family/Project Bonds (2000 Master Indenture) | 859,470,000[†] |
| Single Family Program Bonds (Homeownership Indenture) | 197,733,120 |
| Single Family Mortgage Bonds (2001 Master Indenture) | $4,180,523,992[††] |

[†] Does not include the $36,725,000 in aggregate principal amount of Multi-Family/Project Bonds 2025 Series H expected to be issued under the Muti-Family Project Bonds Indenture subsequent to May 1, 2025.

[††] Does not include the $150,000,000 in aggregate principal amount of the 2025 Series EFG Bonds or the $200,000,000 in aggregate principal amount of the 2025 Series H Bonds issued under the Indenture subsequent to May 1, 2025.

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The following table identifies the specific components of the Authority Obligations listed on the preceding table which are general obligations of the Authority as well as other general obligations of the Authority as of May 1, 2025. Further detail regarding these items is provided under the other subcaptions of "Obligations of the Authority."

**General Obligations of the Authority as of May 1, 2025**

| General Obligations | Outstanding Amount |
|---|---|
| Multi-Family/Project Bonds: | |
| Class I (with GO Pledge) | $ 35,570,000 |
| Class II (with GO Pledge) | 5,500,000 |
| Single Family Mortgage Bonds: | |
| Class III | $175,760,000 |
| Other Borrowings: | |
| Lines of Credit | $461,111,331 |
| Rural Business Cooperative Service Notes | 429,711 |

## SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS

### Pledge of Trust Estate

All Bonds and obligations of the Authority for the payment of money under the Interest Rate Contracts and Liquidity Facilities (the "**Auxiliary Obligations**") outstanding under the Master Indenture (other than Bonds and Auxiliary Obligations which are General Obligations of the Authority) are secured by and payable from revenues, assets and moneys pledged for the payment thereof under the Master Indenture (the "**Trust Estate**"). The pledge and lien of the Master Indenture on the Trust Estate is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations; second, to secure the payment of the principal of and interest on the Class II Obligations; third, to secure the payment of the principal of and interest on the Class III Obligations; and fourth, to secure the payment of principal and interest on the Class IV Obligations. Bonds and Auxiliary Obligations may also be designated as General Obligations of the Authority.

No Bonds or Auxiliary Obligations are presently outstanding under the Master Indenture other than as listed or otherwise noted in **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." The Authority's obligation to pay principal of Bank Bonds at maturity or in accordance with a scheduled amortization date as set forth in any Liquidity Facility is a Class I Obligation or Class II Obligation, as the case may be. To the extent of any principal of Bank Bonds which is payable in advance of the maturity or scheduled amortization date as set forth in any Liquidity Facility, such portion of any Bank Bonds will in some cases constitute Class I Bonds and in other cases will constitute Class III Bonds and be designated as General Obligations of the Authority. The Authority's obligation to make regular interest payments under its Interest Rate Contracts has been a Class I Obligation or Class II Obligation, as the case may be, and the Authority's obligation to make certain payments due upon early termination of any such Interest Rate Contract has been (and is expected in the future to be) a General Obligation of the Authority and not secured by the Trust Estate under the Master Indenture. The Authority expects to issue Additional Bonds under the Master Indenture, as described in "Issuance of Additional Bonds; Auxiliary Obligations" below. *Notes and bonds heretofore or hereafter issued to provide funds for programs of the Authority (other than the Bonds under the Master Indenture) are and will be authorized and secured by*

*separate resolutions or indentures and are not and will not be secured by the pledge of the Master Indenture and do not and will not rank on a parity with the Bonds. See "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Obligations of the Authority."*

Under the Master Indenture, the Trust Estate pledged to secure the Bonds and Auxiliary Obligations includes:

(a) all right, title and interest of the Authority in and to the proceeds of Bonds until used as set forth in the Master Indenture;

(b) all right, title and interest of the Authority in and to the Revenues (as described in "Revenues" below);

(c) all right, title and interest of the Authority in and to all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Master Indenture (except moneys and securities in the Rebate Fund, the Excess Earnings Fund and a Bond Purchase Fund) and investments, if any, thereof (other than the Rebate Requirement which is to be deposited in the Rebate Fund and any Excess Earnings which are to be deposited in the Excess Earnings Fund);

(d) all right, title and interest of the Authority in and to the Mortgage Loans and the MBS described in "The Mortgage Loans and the Mortgaged-Backed Securities" below; and

(e) all other property of any kind from time to time pledged under the Master Indenture as additional security.

**In no event shall the Bonds constitute an obligation or liability of the State or any political subdivision thereof (except the Authority). The Authority has no taxing power, nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof, other than the general credit of the Authority, which general credit is not pledged for the payment of the Bonds except in the case of Bonds specifically designated as general obligations of the Authority.**

**Revenues**

Under the Master Indenture, the term "Revenues" means:

(a) all Mortgage Repayments, which include, with respect to any Mortgage Loan or the related MBS, the amounts received by or for the account of the Authority as scheduled payments of the principal of or interest (if any) on such Mortgage Loan or related MBS by or on behalf of the Borrower to or for the account of the Authority, and does not include Prepayments, Servicing Fees or Escrow Payments;

(b) any penalty payments received on account of overdue Mortgage Repayments, except insofar as such payments may constitute Servicing Fees (including guarantee fees);

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(c) Prepayments, which include any moneys received or recovered by or for the account of the Authority from any payment of or with respect to principal on any Mortgage Loan or MBS prior to the scheduled payments of principal called for by such Mortgage Loan or MBS, whether (i) by voluntary prepayment made by the Borrower, or (ii) as a consequence of the damage, destruction or condemnation of all or any part of the mortgaged premises, or (iii) by the sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority, or (iv) in the event of a default thereon by Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority or by any other proceedings taken by the Authority;

(d) all amounts earned on investments (other than Mortgage Loans and MBS) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale of disposition of such investments), except the Rebate Requirement payable to the United States and any Excess Earnings;

(e) all payments and receipts received by the Authority under Interest Rate Contracts; and

(f) all other payments and receipts received by the Authority with respect to Mortgage Loans and MBS (other than amounts held in any Payment Account, Escrow Payments, Servicing Fees which have not been specifically pledged to the Trustee, any commitment, lock, extension or application fees charged by the Authority in connection with a Mortgage Loan or Mortgage Purchase Agreement, any commitment, lock, extension or applicable fees charged by a Mortgage Lender in connection with a Mortgage Loan, or accrued interest received in connection with the purchase of Investment Securities).

For a further description of the Revenues, the pledge thereof and the payment and transfer thereof from the Revenue Fund, see "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Revenue Fund" in **Appendix A-1**.

Pursuant to the Master Indenture, all Revenues related to each Series of Bonds, in addition to other amounts, are to be deposited into the subaccount of the Revenue Fund related to such Series of Bonds. On the last business day prior to each Payment Date or on the other dates specifically provided in the Indenture, the Trustee is required to make certain transfers of amounts from each Series subaccount of the Revenue Fund, to the extent moneys are available, to various Funds and Accounts in a certain priority, as provided in the Master Indenture. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Revenue Fund." Among these transfers, the Trustee is to deposit into: (a) the *related* Series Subaccount of the related Class Special Redemption Account, Loan Recycling Account (at the election of the Authority), or any combination of the two, the amount needed, if any, to ensure that the Class Asset Requirements for the related Series of Bonds will be met on such Payment Date; and (b) each Series subaccount of the Related Class Special Redemption Account *not related* to such Series of Bonds, on a proportionate basis with all such unrelated subaccounts, the amount of any deficiency resulting from the lack of moneys sufficient to make the deposit described in (a). The Class Asset Requirements applicable to each Series of Bonds are set forth in each Related Series Indenture. For information about the Class Asset Requirements, see **Appendix F**—"CLASS ASSET REQUIREMENTS FOR BONDS."

**The Mortgage Loans and the Mortgage-Backed Securities**

***Generally***. The Trust Estate pledged under the Master Indenture to secure Bonds and Auxiliary Obligations issued thereunder includes the right, title and interest of the Authority in the Mortgage Loans and the MBS acquired by the Authority in order to finance Mortgage Loans. Under the Master Indenture, "**MBS**" means collectively, the Ginnie Mae Certificates, the Fannie Mae Certificates and the Freddie Mac

Certificates. See "Mortgage-Backed Securities" below. "**Mortgage Loan**" means a permanent loan secured by a Mortgage for the purchase and/or rehabilitation of Residential Housing made to a Borrower by the Authority or an originating Mortgage Lender which is purchased pursuant to a Mortgage Purchase Agreement and which satisfies certain requirements of the Master Indenture. See "Mortgage Loan Requirements" below. All Bonds issued under the Master Indenture will be secured by the Trust Estate which includes all MBS and Mortgage Loans so acquired with proceeds of such Bonds. In the event that only a portion of or interest in an MBS or Mortgage Loan is purchased under the Master Indenture, reference to such an MBS or a Mortgage Loan shall be interpreted and applied to relate to such portion or interest.

***Mortgage-Backed Securities***. An MBS acquired as part of the Trust Estate can be a Ginnie Mae Certificate, a Fannie Mae Certificate or a Freddie Mac Certificate. A "**Ginnie Mae Certificate**" is a mortgage-backed security (which may be issued under either the GNMA I Program or the GNMA II Program) bearing interest at a Pass-Through Rate, issued by the Authority registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder backed by FHA-insured Mortgage Loans or VA, or RHS-guaranteed Mortgage Loans. A "**Fannie Mae Certificate**" is a single pool, guaranteed mortgage, pass-through certificate, issued by Fannie Mae, guaranteed as to timely payment of interest and principal by Fannie Mae and backed by Conventional Mortgage Loans. A "**Freddie Mac Certificate**" is a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a pool of Conventional Mortgage Loans identified by a particular alpha numeric number and CUSIP number, guaranteed as to timely payment of principal and interest by Freddie Mac.

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

***Mortgage Loan Requirements***. The Mortgage Loans must be permanent loans secured by a mortgage, deed of trust or other instrument constituting a valid lien on real property in the State and improvements constructed or to be constructed thereon or on a leasehold under a lease having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the Mortgage Loan secured by such instrument. The Mortgage Loans may be secured by a first mortgage on the real property (a "**First Mortgage Loan**") or may be originated on behalf of the Authority by the Mortgage Lender and secured by a second mortgage loan on the real property (a "**Second Mortgage Loan**"). A Second Mortgage Loan will only be made in connection with a First Mortgage Loan. Each Mortgage Loan must be made in connection with the purchase or refinance of a single-family, owner-occupied dwelling located within the State that qualifies for financing or refinancing by the Authority within the meaning of the Act, the Rules and Regulations of the Program, the relevant provisions of the Code and related regulations (referred herein as "**Residential Housing**"). A Second Mortgage Loan may be originated for the purpose of assisting Eligible Borrowers with their up-front cash requirements in connection with the purchase of Residential Housing or for closing cost assistance in connection with the financing or refinancing of a mortgage loan. See "PART II—THE SINGLE-FAMILY MORTGAGE PROGRAM—Locks, Delivery and Acquisition of Mortgage Loans." A First Mortgage Loan must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of such Mortgage Loan and must be made to a Borrower by the Authority or made by an originating Mortgage

Lender and purchased by the Authority pursuant to a Mortgage Purchase Agreement. For this purpose, a Borrower means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing, who is a person or family of "low or moderate income" qualifying as such under the Act and the Rules and Regulations of the Program and, as applicable, in accordance with the Code. The Mortgage Lenders may include certain banks, trust companies, FHA-approved direct endorsement mortgagees, VA-approved lenders, Fannie Mae-approved and/or Freddie Mac-approved sellers, RHS-approved mortgagees, national banking associations and credit unions.

First Mortgage Loans are required by the Master Indenture to be subject to mortgage insurance or guaranty to the extent required by any Series Indenture. The Master Indenture further requires that the buildings on the premises with respect to which each First Mortgage Loan is made are to be insured, as and to the extent required by the Authority to protect its interest and with the Authority designated as the loss payee as its interest may appear, against loss or damage by fire, lightning and other hazards (including flooding in some cases). Each Mortgage Loan must be serviced by a Mortgage Lender until it is purchased by the Authority, at which time the servicing is transferred to the Authority. If the Authority purchases a Mortgage Loan before the first payment on such loan is due, then the Authority will be the initial servicer rather than the Mortgage Lender. The Authority has entered into the subservicer arrangement described in "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM—Servicing of the Mortgage Loans." In the Master Indenture, the Authority has covenanted to take certain action to protect the interests of the owners of the Bonds in the Mortgage Loans. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Program Covenants" and "—Enforcement of Mortgage Loans, MBS and Servicing Agreements." In one such covenant, the Authority has agreed to diligently enforce and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans consistent with sound lending practices and principles and applicable requirements under the Code, including the prompt payment of all Mortgage Repayments and all other amounts due the Authority thereunder.

***Mortgage Loans***. The Mortgage Loans securing the Bonds and Auxiliary Obligations under the Master Indenture will include Mortgage Loans originated by Mortgage Lenders and thereafter purchased or funded by the Authority, using amounts on deposit in the Acquisition Account and transferred to the Trustee. Upon transfer of any Mortgage Loans by the Authority to the Trustee, the Trustee is to reimburse the Authority for its costs of purchasing such Mortgage Loans using amounts on deposit in the Acquisition Account. The Mortgage Loans must satisfy the requirements described in "Mortgage Loan Requirements" above. See also **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Acquisition of Mortgage Loans." The Mortgage Loans securing the Bonds and Auxiliary Obligations under the Master Indenture will include any Mortgage Loans acquired using proceeds of additional Bonds which may be issued by the Authority under the Master Indenture as described in "Issuance of Additional Bonds; Auxiliary Obligations" below. Any additional Mortgage Loans so acquired must meet the requirements required by the Series Indenture relating to such additional Bonds.

**Debt Service Reserve Fund**

The Debt Service Reserve Fund Requirement (if any) for each Series of Bonds is established by the Related Series Indenture. Upon the issuance of any Series of Bonds, the Debt Service Reserve Fund Requirement for such Bonds is expected to be funded by a deposit of proceeds to the Debt Service Reserve Fund or by the deposit of a Qualified Surety Bond as permitted by the Indenture. Additional moneys are to be transferred into the various subaccounts of the Debt Service Reserve Fund from the Revenue Fund as provided in the Master Indenture in the amounts needed, if any, to increase the amount in any subaccount of the Debt Service Reserve Fund, together with any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement for the Bonds. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Revenue Fund."

Amounts in the Debt Service Reserve Fund are to be transferred to the Debt Service Fund and applied by the Trustee to the payment of principal and interest on the Bonds issued under the Master Indenture, in order of Class, in the event that amounts on deposit in the Debt Service Fund for the Related Class are insufficient to make such payments on any Payment Date. **When making such payments, the Trustee is to transfer amounts first from the Series subaccount of the Debt Service Reserve Fund related to the Bonds for which the payment will be made and, second, from any unrelated Series subaccounts.** See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Debt Service Reserve Fund."

**Liquidity Facilities**

Pursuant to the respective Series Indentures, the Authority has entered, and expects in the future to enter, into Liquidity Facilities in connection with Adjustable Rate Bonds issued under the Master Indenture. See **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—The Outstanding Auxiliary Obligations—Outstanding Liquidity Facilities" for a description of the outstanding Liquidity Facilities under the Master Indenture. The Authority may elect to replace any Liquidity Facility with an Alternate Liquidity Facility. The Authority is to promptly notify the Trustee, the Remarketing Agent and the Paying Agent of the Authority's intention to deliver an Alternate Liquidity Facility at least 45 days prior to the date of such delivery. Upon receipt of such notice, the Trustee is to promptly mail a notice of the anticipated delivery of an Alternate Liquidity Facility, including the name of the provider of such Alternate Liquidity Facility, by first-class mail to the Remarketing Agent and to each Owner of the Adjustable Rate Bonds at such Owner's registered address and to EMMA. The Authority is to deliver such Alternate Liquidity Facility to the Trustee on or before the day preceding the date of expiration of the then expiring Liquidity Facility or on the date of its intent to deliver.

The Authority is to use its best efforts to obtain an Alternate Liquidity Facility to replace the Liquidity Facility or cause the Adjustable Rate Bonds to be converted to Fixed Rate Bonds or to bear interest in a Mode which does not require a Liquidity Facility in the event (a) the Liquidity Facility Provider shall decide not to extend the term of the Liquidity Facility beyond the expiration date thereof pursuant to the terms of the Liquidity Facility, (b) the Authority terminates the Liquidity Facility pursuant to its terms, (c) the Liquidity Facility Provider furnishes a termination notice to the Trustee, or (d) the Liquidity Facility Provider fails to purchase Bonds as permitted by the Liquidity Facility.

No Alternate Liquidity Facility may be delivered to the Trustee for any purpose under the respective Series Indenture unless accompanied by certain documents, including letters from Moody's and S&P evidencing that the replacement of the Liquidity Facility with the Alternate Liquidity Facility will not adversely affect the then-existing ratings on the related Adjustable Rate Bonds.

Unless the Trustee has received (a) written notice from the Liquidity Facility Provider that it elects to extend or renew the Liquidity Facility or (b) written notice from the Authority that it has determined to provide or cause to be provided an Alternate Liquidity Facility, which notice shall be received not less than 30 days prior to the stated expiration date of the Liquidity Facility, the Trustee is to give notice to the Owners of Adjustable Rate Bonds and to EMMA that the Adjustable Rate Bonds will be subject to mandatory tender for purchase, with no right to retain, not less than 20 days from the date of such notice to such Bondowners, at the Purchase Price (payable by the Liquidity Facility Provider) on the date set forth for purchase in such notice.

The Authority has agreed that, for so long as any Liquidity Facility is in full force and effect, any Alternate Liquidity Facility will require, as a condition to the effectiveness thereof, that the provider of such Alternate Liquidity Facility provide funds to the extent necessary, in addition to other funds available, on the date such Alternate Liquidity Facility becomes effective, for the purchase of all Bank Bonds at par plus accrued interest (at the Bank Rate) through the date of such purchase.

**Interest Rate Contracts**

In connection with the issuance of certain Adjustable Rate Bonds under the Master Indenture, the Authority has entered, and expects in the future to enter, into interest rate swap agreements which qualify as "**Interest Rate Contracts**" under the Master Indenture, with a counterparty for the purpose of converting the floating rate interest payments the Authority is obligated to make with respect to the Adjustable Rate Bonds into substantially fixed rate payments. See **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." See also "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Authority Policy Regarding Swaps." Any payments or receipts received by the Authority under the Interest Rate Contracts will be pledged as Revenues, as described in "Revenues" above. The Authority's obligation to make regular interest payments to the Counterparty under each of the Interest Rate Contracts has constituted a Class I Obligation or Class II Obligation under the Master Indenture, secured on parity with the lien on the Trust Estate of the other Class I Obligations and Class II Obligations, respectively. The Authority's obligation to make termination payments under each of the Interest Rate Contracts in the event of early termination and in the future is expected to be a general obligation of the Authority and not an Auxiliary Obligation under the Master Indenture. See "PART II—CERTAIN BONDOWNERS' RISKS—Risks Related to Interest Rate Contracts" and "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Obligations of the Authority—General Obligations."

**Issuance of Additional Bonds; Auxiliary Obligations**

No Bonds or Auxiliary Obligations are outstanding under the Master Indenture other than as described in **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." The Offered Bonds being offered by this Official Statement will be Bonds under the Master Indenture. Furthermore, the Master Indenture permits the Authority to issue additional Bonds and to incur additional Auxiliary Obligations thereunder from time to time, without limitation as to amount, secured on an equal lien with the outstanding Bonds and Auxiliary Obligations of the respective class, upon delivery of a Cash Flow Statement and satisfaction of certain other conditions contained therein. The Authority may not issue additional Bonds if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds issued under the Master Indenture. The Authority may also enter into any Interest Rate Contract or Liquidity Facility it deems necessary or desirable with respect to any or all of the Bonds issued under the Master Indenture, subject to the requirements of the Master Indenture. The Authority expects to issue additional Bonds and to incur additional Auxiliary Obligations in the future under the Master Indenture.

**Selected Financial Information With Respect to the Master Indenture**

The following unaudited information is dated as of May 1, 2025. The following has not been presented in accordance with standard accounting principles as the various assets and liabilities shown below are valued at par and not at current market value.

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| Assets | | Liabilities | |
|---|---|---|---|
| **Mortgage Backed Securities** | **$3,745,554,651** | **Total Bonds Outstanding[1]** | **$4,180,523,992** |
| GNMA Certificates | $3,613,438,008 (96.47%) | Fixed Rate Bonds | $2,982,768,992 (71.35%) |
| FNMA Certificates | $132,116,643 (3.53%) | Adjustable Rate Bonds (Hedged) | $1,157,690,000 (27.69%) |
| | | Adjustable Rate Bonds (Unhedged) | $40,065,000 (0.96%) |
| **Whole Mortgage Loans** | **$412,974,029** | **Liquidity Facility Providers[2]** | **$1,197,755,000** |
| FHA | $222,872,357 (53.97%) | Federal Home Loan Bank of Topeka | $510,245,000 (42.60%) |
| Conventional Uninsured | $29,351,093 (7.11%) | Royal Bank of Canada | $376,380,000 (31.42%) |
| DPA Second Mortgage Loans | $148,794,318 (36.03%) | Bank of America, N.A | $119,240,000 (9.96%) |
| RHS | $3,987,805 (0.97%) | TD Bank, N.A. | $116,940,000 (9.76%) |
| VA | $7,134,266 (1.73%) | Barclays Bank PLC. | 74,950,000 (6.26%) |
| Conventional Insured | $834,190 (0.20%) | | |
| **Investments** | **$193,684,275** | **Interest Rate Contracts[3]** | **$1,157,690,000** |
| FHLMC Certificates | $10,794,642 (5.57%) | SOFR | $1,137,895,000 (98.29%) |
| FNMA Certificates | $3,453,015 (1.78%) | SIFMA | $19,795,000 (1.71%) |
| GNMA Certificates | $7,885,049 (4.07%) | | |
| Investment Agreements | $11,617,684 (6.00%) | | |
| Money Market Funds | $159,678,885 (82.44%) | | |
| US Government Securities | $255,000 (0.13%) | | |
| **Total Assets** | **$4,352,212,955** | | |

(1) This table does not include the $150,000,000 in aggregate principal amount of the 2025 Series EFG Bonds or the $200,000,000 in aggregate principal amount of the 2025 Series H Bonds issued under the Indenture subsequent to May 1, 2025.

(2) This table does not include the Standby Bond Purchase Agreement entered into between the Authority, Bank of America, N.A. and the Paying Agent in connection with the issuance of the 2025 Series G-2 Bonds or the Standby Bond Purchase Agreement entered into between the Authority, Federal Home Loan Bank of Topeka and the Paying Agent in connection with the issuance of the 2025 Series H-2 Bonds, which were entered into subsequent to May 1, 2025.

(3) This table does not include the Interest Rate Contract entered into between the Authority and Wells Fargo Bank, N.A. in connection with the issuance of the 2025 Series G-2 Bonds or the Interest Rate Contract entered into between the Authority and Bank of America, N.A. in connection with the issuance of the 2025 Series H-2 Bonds, which were entered into subsequent to May 1, 2025. Amounts reported for the Interest Rate Contracts above are notional amounts and not current market valuations.

## CERTAIN BONDOWNERS' RISKS

### Limited Security

The Bonds are special limited obligations of the Authority payable by Class priority and *solely* from the Trust Estate (except in the case of Bonds which have been specifically designated as general obligations of the Authority). See "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – Pledge of Trust Estate." There is no assurance that the Mortgage Loans and MBS in or expected to be in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Obligations under the Master Indenture when due. See **Appendix A-1**—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Revenue Fund." Additional Bonds and Auxiliary Obligations may be issued by the Authority under the Master Indenture on a parity with each Class of Bonds outstanding, upon satisfaction of certain conditions set forth in the Master Indenture.

### Special Considerations Relative to Loan/MBS Origination

There are numerous reasons why the entire amount on deposit in any subaccount of the Acquisition Account for a particular Series of Bonds (including for the Offered Bonds) may not be used to acquire, or to reimburse the Authority for its costs of acquiring, Mortgage Loans in accordance with the Indenture. One of the principal factors in originating real estate loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford. The Authority has determined that there is at the present time a shortage of funds in the State to make such loans on terms competitive with those terms specified for the Mortgage Loans. This condition could change during the origination period for the Mortgage Loans. For example, prevailing interest rates for conventional mortgages in the State could decrease and make the Mortgage Loans less attractive to potential applicants. See "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Programs to Date—Single Family Mortgage Program." See also "PART I—CERTAIN PROGRAM ASSUMPTIONS—Characteristics of 2025IJK MBS" and "—2025IJK Second Mortgage Loans". The Authority has taken locks for mortgage loans which may, if closed, be acquired using proceeds of Bonds in the Acquisition Account. However, other issuers may issue bonds and make funds available on terms competitive with those terms specified for the Mortgage Loans.

As of May 1, 2025, there remained in the 2025 Series ABC subaccount of the Acquisition Account approximately $2,511 of the Authority's Single Family Mortgage Bonds, 2025 Series ABC (the "**2025 Series ABC Bonds**"). On May 14, 2025 the Authority issued the 2025 Series EFG Bonds in the aggregate principal amount of $150,000,000. The Authority intends to expend the remaining proceeds of the 2025 Series ABC Bonds and the proceeds of the 2025 Series EFG Bonds to acquire MBS to finance Mortgage Loans originated under its Qualified Single Family Mortgage Program and certain Second Mortgage Loans originated under its Qualified Single Family Mortgage Program before using the proceeds of the Offered Bonds to acquire the 2025IJK MBS to finance Mortgage Loans originated under the Qualified Single Family Mortgage Program or 2025IJK Second Mortgage Loans originated under the Qualified Single Family Mortgage Program.

As of May 1, 2025, there remained in the 2025 Series D subaccount of the Acquisition Account approximately $70,198,619 of the Authority's Single Family Mortgage Bonds, 2025 Series D (the "**2025 Series D Bonds**"). On May 28, 2025 the Authority issued the 2025 Series H Bonds in the aggregate principal amount of $200,000,000. The Authority intends to expend the remaining proceeds of the 2025 Series D Bonds and the proceeds of the 2025 Series H Bonds to acquire MBS to finance Mortgage Loans and certain Second Mortgage Loans originated under its Non-Qualified Single Family Mortgage Program.

**In the event that sufficient Mortgage Loans have not been originated and acquired so that the costs of such Mortgage Loans do not equal the amounts in a particular subaccount of the Acquisition Account, such amounts in the Acquisition Account which cannot be used to acquire, or to reimburse the Authority for its costs of acquiring, Mortgage Loans as certified by the Authority may be used to redeem Bonds in the Related Series and, in the case of the Offered Bonds, as described in Part I.**

**Considerations Regarding Redemption at Par**

PURSUANT TO THE SPECIAL REDEMPTION PROVISIONS OF THE MASTER INDENTURE, THE BONDS MAY BE REDEEMED PRIOR TO THEIR STATED MATURITY FROM ANY MONEYS AND/OR INVESTMENT SECURITIES ON DEPOSIT IN THE RESPECTIVE ACCOUNTS OF THE REDEMPTION FUND, WHICH MAY INCLUDE UNEXPENDED BOND PROCEEDS, EXCESS REVENUES FROM REGULAR LOAN PAYMENTS, VOLUNTARY OR INVOLUNTARY PREPAYMENTS AND AMOUNTS DEPOSITED AS A RESULT OF ANY OTHER EVENT AS DESCRIBED HEREIN. TO THE EXTENT ANY SERIES OF BONDS ARE SUBJECT TO REDEMPTION FROM MORTGAGE LOAN OR MBS PAYMENTS OR PREPAYMENTS, THE TIME OR RATE OF SUCH PAYMENTS OR PREPAYMENTS CANNOT BE PREDICTED. **However, it is assumed that a substantial portion of each Series of Bonds will be redeemed prior to their respective stated maturities at a redemption price equal to the principal amount of such Series of Bonds to be redeemed, without premium.**

**Risks Related to the Liquidity Facility Providers and the Liquidity Facilities**

***Creditworthiness of the Liquidity Facility Providers***. The short-term credit ratings of the Adjustable Rate Bonds under the Master Indenture are based on the issuance of the respective Liquidity Facilities relating to such Adjustable Rate Bonds. Such ratings are based solely on the general credit of the respective Liquidity Facility Provider. Any downgrade in the ratings of the related Liquidity Facility Provider may impact the interest rate of the related Adjustable Rate Bonds.

Each Liquidity Facility provides the Trustee with the liquidity support necessary to purchase the applicable Adjustable Rate Bonds deemed tendered for purchase as described in the related Series Indenture. If remarketing proceeds are not sufficient to provide funds sufficient to pay the purchase price of tendered Adjustable Rate Bonds, the Trustee is required to draw funds under the applicable Liquidity Facility. The ability of the respective Liquidity Facility Provider to honor such drawings may be adversely affected by its financial condition at the time of such draws. If a Liquidity Facility Provider becomes insolvent or otherwise becomes a debtor in bankruptcy, such Liquidity Facility Provider may not be able to provide for the timely payment of the purchase price of related Adjustable Rate Bonds subject to tender for purchase. Neither the Authority nor the Remarketing Agent is obligated to purchase such Adjustable Rate Bonds subject to tender for purchase if the remarketing proceeds and payments under such Liquidity Facility are insufficient to pay the Purchase Price of such Adjustable Rate Bonds. No assurance is given as to the current or future financial condition of any Liquidity Facility Provider or the financial condition of any entity with which any Liquidity Facility Provider may merge or by which it may be acquired. For more information about the Liquidity Facility Providers and Outstanding Liquidity Facilities, see **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—The Outstanding Auxiliary Obligations—Outstanding Liquidity Facilities."

***Inability to Obtain Substitute Liquidity Facility***. Each Liquidity Facility expires on a particular date which is much earlier than the maturity dates of the related Adjustable Rate Bonds. See **Appendix B-1** hereto. No assurances can be given that the Authority will be able to extend any of the Liquidity Facilities or obtain a Substitute Liquidity Facility with respect to any Series of Adjustable Rate Bonds upon the terms required by the respective Series Indenture until and including the final maturity dates of such Adjustable

Rate Bonds or until the interest rate on such Adjustable Rate Bonds is converted to a Fixed Rate. Failure to extend a Liquidity Facility or obtain a Substitute Liquidity Facility will result in a mandatory purchase of the related Adjustable Rate Bonds prior to maturity at a price of par. The mandatory purchase of such Adjustable Rate Bonds on such a mandatory bond purchase date may not be waived. As a result, related Adjustable Rate Bonds subject to such mandatory purchase will become Bank Bonds under the Master Indenture. **Coverage under the 2025K-2 Initial Liquidity Facility for the 2025 Series K-2 Bonds is stated to expire on July 14, 2028, subject to prior termination or extension in accordance with the terms of the 2025K-2 Initial Liquidity Facility.** See "Interest Costs Associated with Bank Bonds; Priority of Accelerated Payments" below.

***Interest Costs Associated with Bank Bonds; Priority of Accelerated Payments***. Pursuant to the Liquidity Facilities, certain unpaid fees will bear interest at the "Default Rate" and Bank Bonds will bear interest at a rate as set forth in the related Liquidity Facilities. Those interest rates can be substantially higher than the variable rate that otherwise would apply to the calculation of interest on the Adjustable Rate Bonds; any increase in those interest rates increases the amount of interest payable by the Trust Estate under the Master Indenture and may affect its sufficiency to pay the Bonds. Payment of such interest on Bank Bonds is on parity with the lien of the related Adjustable Rate Bonds which have been purchased. Furthermore, the Liquidity Facilities provide for accelerated amortization of principal of the respective Bank Bonds payable by the Trust Estate under the Master Indenture. See **Appendix B-1**—"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—The Outstanding Auxiliary Obligations—Outstanding Liquidity Facilities" for specific information about the "term-out" provisions of the outstanding Liquidity Facilities. WHILE THE PRINCIPAL PAYMENTS DUE ON THE BANK BONDS FOLLOWING ANY SUCH ACCELERATION BY THE LIQUIDITY FACILITY PROVIDERS WILL IN SOME CASES BE CLASS III OBLIGATIONS AND CONSTITUTE GENERAL OBLIGATIONS OF THE AUTHORITY, SUCH ACCELERATED PRINCIPAL IN OTHER CASES WILL BE ON PARITY WITH THE LIEN OF THE RELATED SERIES OF BONDS WHICH HAVE BEEN PURCHASED. See "Inability to Obtain Substitute Liquidity Facility" above.

**Risks Related to Interest Rate Contracts**

Each of the Interest Rate Contracts exposes the Authority to certain risks, including, but not limited to, the risk that payments received by the Authority from the applicable Counterparty could be substantially less than the floating rate interest payments due on the related Series of Adjustable Rate Bonds. Pursuant to each of the Interest Rate Contracts, the Authority will pay interest to the Counterparty at a fixed rate and will receive interest from the Counterparty at a variable rate which will be based on a SIFMA or SOFR Index. To the extent Counterparty payments are based on a SIFMA or SOFR Index, the amount of actual interest payments due on the respective Adjustable Rate Bonds may differ from the amount of such interest payments to be made by the Counterparty and the Trust Estate may not be sufficient to pay interest as due.

The payment obligations of the Authority under the Interest Rate Contracts do not remove the obligations of the Authority to pay interest on the related Series of Bonds from the Trust Estate. A negative change to the financial position of any of the Counterparties (including bankruptcy or insolvency) at any time may negatively impact payments to the Authority pursuant to the applicable Interest Rate Contract to an extent that cannot be determined. In addition, each Interest Rate Contract is subject to termination upon the occurrence of certain events, and no assurance can be given that the Interest Rate Contracts, or any of them, will continue to be in effect. None of the Interest Rate Contracts provide a source of credit or security for the Bonds. The Owners of the Bonds do not have any rights under any Interest Rate Contract or against any Counterparty. The fixed rates the Authority pays and the reference rates used to calculate the variable rates the Authority receives with respect to its Outstanding Interest Rate Contracts are included in footnote (8) to the audited 2024 financial statements of the Authority attached as **Appendix G** hereto and in the Authority's financial disclosures available on EMMA. See "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS—Interest Rate Contracts." See also **Appendix B-1**—"THE

OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS—The Outstanding Auxiliary Obligations—Outstanding Interest Rate Contracts." **See footnote (8) to the audited 2024 financial statements of the Authority attached as Appendix G hereto for a description of certain further risks associated with the Interest Rate Contracts.**

**Delays After Defaults on Mortgage Loans**

The Authority anticipates that there will be some delinquent Mortgage Loan payments and foreclosed Mortgage Loans. In the event that a Borrower defaults in the payment of a Mortgage Loan and the Authority institutes foreclosure proceedings, there may be certain required time delays which, should they occur with respect to a sufficient number of Mortgage Loans, could disrupt the flow of Revenues available for the payment of principal of and interest on the Bonds. These time delays derive from the procedures applicable to the collection of mortgage insurance or guarantees as well as those required under Colorado law for the enforcement of rights of beneficiaries under deeds of trusts. Those procedures and their effect on the Authority's ability to collect on defaulted Mortgage Loans are described in **Appendix I**—"INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE." Any cash assistance to Borrowers in connection with the Mortgage Loans will decrease the Borrower's equity in the property and, as a result, it is possible that the Mortgage Loans may in the aggregate perform with higher default rates than Mortgage Loans originated without cash assistance. Bondholders should consider the possibility that such higher default rates could result in insufficient Revenues available to pay debt service on the Bonds when due. Information about historical default rates on portfolios of mortgage loans which secure outstanding bonds of the Authority has been provided by the Authority in its past filings on EMMA. See **Appendix J**—"FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the Authority's future obligations with respect to providing information about the Mortgage Loan portfolio, including default rate information. In addition, physical damage to the residences securing the Mortgage Loans may exceed the limits of, or be caused by a peril not insured under, the standard hazard insurance policies insuring such residences, thereby diminishing the value of the Mortgage Loans securing the Bonds.

**Information Security and Privacy Risks**

The Authority relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Authority faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. The Authority maintains an Information Security Plan and Incident Response Policy and Plan which are reviewed regularly and when necessary due to regulatory or legislative changes. Additionally, the Authority regularly tests its Information Security Plan and reports on testing results to the Authority's Board of Directors. The Authority conducts regular information security and privacy awareness training that is mandatory for all Authority staff and regularly conducts phishing campaigns and penetration tests of its cybersecurity systems and infrastructure. No assurances can be given that the Authority's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the Authority's computer and information technology systems could impact its operations for an unknown period of time, damage the Authority's digital networks and systems, and damage the Authority's reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Authority's reputation and relationships could adversely affect the Authority's ability to make loans and issue Bonds in the future.

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**Business Disruption Risk**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Authority's ability to conduct its business. A prolonged disruption in the Authority's operations could have an adverse effect on the Authority's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Authority has developed a Continuity of Operations and Business Continuity Plan (the "**Plan**"). The Plan is designed to (a) provide for the continued execution of the mission-essential functions of the Authority and minimize disruption if an emergency threatens, interrupts or incapacitates the Authority's operations, (b) provide Authority leadership with timely direction, control and coordination before, during and after an emergency, and (c) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that the Authority's efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

**Other Risks**

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

## THE SINGLE FAMILY MORTGAGE PROGRAM

The Trust Estate which secures Bonds under the Indenture will include Mortgage Loans, as described in "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." The following sections describe requirements for the Mortgage Loans which are based on requirements in the Act or derive from general policies and limits established by the Authority for qualification of Mortgage Lenders, Servicers, Borrowers and Eligible Properties as well as basic requirements for Mortgage Loans (with noted exceptions). As indicated, certain requirements described below relate only to Mortgage Loans made as a part of a Qualified Single Family Mortgage Program. *It is expected that there will be variations in particular cases and that the policies and procedures of the Authority will be modified from time to time consistent with the Act, the Indenture and any procedures applicable to the Mortgage Loans.*

**Background**

Under the Single Family Mortgage Program, the Authority may make mortgage loans for single-family residential dwellings to individual borrowers through, or may purchase such mortgage loans from, qualified originating Mortgage Lenders. In order to achieve these authorized purposes, the Authority currently operates both a Qualified Single Family Mortgage Program for the tax-exempt financing under the Master Indenture of Mortgage Loans backing Ginnie Mae Certificates (the "**Qualified Single Family Mortgage Program**") and a Non-Qualified Single Family Mortgage Program for the financing of mortgage loans, including conventional mortgage loans, on a taxable basis (the "**Non-Qualified Single Family Mortgage Program**").

Until 2009, the Authority funded the purchase of Mortgage Loans made as part of its Qualified Single Family Mortgage Program and Non-Qualified Single Family Mortgage Program through the

issuance of fixed rate and variable rate bonds under the Master Indenture. In 2009, the Authority transitioned to also funding the purchase of FHA-insured or VA or Rural Housing Service-guaranteed single-family mortgage loans through the securitization and sale of such loans as Ginnie Mae Certificates in the "to be announced" or "TBA" market, or through a pass-through bond issued under a separate indenture. The Authority later transitioned to also funding the purchase of conventional loans, including through the sale of whole mortgage loans and/or mortgage-backed securities to Fannie Mae and Freddie Mac.

The premium income earned from the Authority's sale of mortgage-backed securities has comprised a significant share of the Authority's annual revenues in recent years. See "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—The General Fund—Financial Information for the General Fund." The Federal Reserve has signaled an intent to reduce its investment in mortgages, which may reduce the premiums that can be earned by the Authority. The Authority has no ability to predict the extent or impact of the Federal Reserve's actions.

**Communication of Program Information**

The Authority communicates information to its participating Mortgage Lenders on its website (www.chfainfo.com) and through subscription email services regarding changes to policies and procedures under the Program. Interest rates available to participating Mortgage Lenders on the Authority's loan reservation and tracking system, HomeConnection[sm], or by email, may change daily. The Authority also makes available on its website a guide to Mortgage Lenders setting forth requirements for the Single Family Mortgage Program and information relating to the lock procedures as more fully described in the "Seller's Guide" below (the "**Seller's Guide**"). The Seller's Guide describes each Mortgage Loan program's parameters and information necessary for Mortgage Lenders to determine the eligibility of applicants, residences and Mortgage Loans under the Single Family Mortgage Program. The Seller's Guide and all programmatic information is incorporated by reference into the Mortgage Purchase Agreement entered into between the Authority and each respective participating Mortgage Lender for eligible Mortgage Loans. See "Mortgage Purchase Agreements" under this caption.

**Locks, Delivery and Acquisition of Mortgage Loans**

The Seller's Guide references and incorporates a description of lock procedures by which a Mortgage Lender may reserve Mortgage Loan funds. A Mortgage Loan lock is for a specific applicant, residence, Mortgage Loan amount and interest rate. Locks may be made on a continuous basis without regard to the availability of proceeds from a specific Series of Bonds. The lock procedures require a Mortgage Lender to have taken a loan application from an applicant who has entered into a purchase contract with the seller of a residence. The Mortgage Lender must use HomeConnection[SM] to lock loans. Prior to closing the Mortgage Loan, Mortgage Lenders delivering Mortgage Loans in connection with certain of the Authority's Single Family Mortgage Programs, including its Qualified Single Family Mortgage Program, may deliver to the Authority further documentation in order for the Authority to review the eligibility of the applicant and the residence. The Mortgage Lender must then close the Mortgage Loan and deliver to the Authority the complete Mortgage Loan closing documents within specified time frames. Upon approval for purchase, the Authority or the Trustee will then acquire the First Mortgage Loans from the Mortgage Lenders with available funds of the Authority.

In order to satisfy the requirements of the Code in connection with certain Tax-exempt Bonds, the Authority is required by the Indenture to make an amount available for the acquisition of First Mortgage Loans on "targeted area residences" within the meaning of Section 143 of the Code ("**Targeted Area Residences**") until a date at least one year after the date on which the proceeds of the Series of Bonds or amounts exchanged therefor are first made available for the acquisition of such First Mortgage Loans.

In connection with a First Mortgage Loan originated by a Mortgage Lender in the Single Family Mortgage Program, a Borrower may request and obtain, under eligible Mortgage Loan programs, down payment assistance in the form of a Second Mortgage Loan or a grant ("**CHFA DPA Grant**"), the proceeds of which may, subject to program guidelines, be used toward a borrower's closing costs, down payment and/or prepaid expenses. See "Program Features" below for further description of these offerings. First Mortgage Loans are offered at varying interest rates with and without down payment assistance. In addition, the Authority requires a Borrower to make a cash contribution using funds other than the proceeds of a Second Mortgage Loan or CHFA DPA Grant. The cash contribution is not required to be from the Borrower's own funds. The Authority or the Trustee will use available funds of the Authority to reimburse Mortgage Lenders for any related down payment assistance provided by such Mortgage Lenders on behalf of the Authority upon the acquisition of a related First Mortgage Loan.

**Eligibility Requirements**

***Residency Requirements***. In the case of Mortgage Loans made in a Qualified Single Family Mortgage Program, Mortgage Loans must be made only to applicants who have not had a present ownership interest in a principal residence during the three-year period prior to the date of execution of each respective Mortgage which secures each such Mortgage Loan (the "**First Time Homebuyer Requirement**"). Mortgage Loans in a Non-Qualified Single Family Mortgage Program, and Mortgage Loans made to qualified veterans or in Targeted Areas, are not subject to this requirement. Each applicant must also intend to occupy the Eligible Property as his or her principal place of residence.

***Income Limits***. An applicant may be a Borrower for purposes of a Mortgage Loan only if such applicant has a current qualifying income or gross annual income, as applicable, which does not exceed the limits set forth in the Seller's Guide and supplemental documentation. The Authority requires gross annual income, calculated in accordance with the Code, for purposes of meeting the Authority's income guidelines for its Qualified Single Family Mortgage Program. The Authority establishes income limits for Mortgage Loans in its Qualified Single Family Mortgage Program that are no greater than the limits permitted under the Code. A portion of such Mortgage Loans made for Targeted Area Residences may be made to Borrowers with greater incomes in accordance with the requirements of the Code. The Authority accepts qualifying income for purposes of meeting the Authority's income guidelines for many of its Non-Qualified Single Family Mortgage Programs. For these programs, the Authority will defer to the income calculation requirements of the underlying loan program (for example, Fannie Mae, Freddie Mac, FHA, VA, and RHS). The Authority has implemented a single statewide income limit for some of its Non-Qualified Single Family Mortgage Programs. In addition, the Authority has lower income limits of 80% of area median income ("**AMI**") for the CHFA Preferred and CHFA Preferred Plus programs, subject to certain program exceptions. Income limits determined by the Authority with respect to both the Qualified Single Family Mortgage Program and the Non-Qualified Single Family Program may be amended by the Authority from time to time without notice to Bondowners.

***Credit Scores for Originated Mortgage Loan Applicants***. Applicants for Mortgage Loans originated under most programs under the Single Family Mortgage Program with a credit score must meet a minimum credit score requirement of 620 and Borrowers with no credit scores are permitted, subject to program guidelines.

***Homebuyer Education Requirement***. Applicants for Mortgage Loans originated under most programs under the Single Family Mortgage Program are required by the Authority to complete a homebuyer education class. Homebuyer education classes are intended to give applicants a clearer understanding, among other things, of their debt obligations. Homebuyer education classes are offered statewide and in-person classes are offered at no cost to the Borrower by housing counseling agencies and housing authorities meeting applicable legal requirements and under contract with the Authority ("**participating agencies**"). Pursuant to its contracts with such participating agencies, the Authority will

pay participating agencies up to certain amounts for in-person classes. Homebuyer education classes are also available online from certain of the participating agencies, the costs of such on-line classes are to be paid by the Borrower.

**Additional Eligibility Requirements for Tax-Exempt Mortgage Loans**

***Purchase Price Limitations***. In the case of Mortgage Loans made in a Qualified Single Family Mortgage Program, the Purchase Price of an Eligible Property financed in connection with such a Mortgage Loan may not exceed certain Purchase Price limits as established by the Authority in accordance with the Code. The Authority establishes Purchase Price limits for Eligible Properties subject to IRS requirements, with no differentiation between new and existing residences, based on the county in which such Eligible Property is located. These limits presently range from $544,230 to $806,500. Certain of these Purchase Price limits are somewhat lower than those permitted by the Code in order to better serve persons and families of lower income. Purchase Price limits determined by the Authority may be amended by the Authority from time to time without notice to Bondowners. In certain jurisdictions, the Authority has established or may establish higher Purchase Price limits, determined in accordance with the Code, with respect to previously occupied or new single-family residences, as the case may be, for the statistical area in which the Eligible Property is located.

The term "**Purchase Price**" as used under this caption, means that cost of acquiring an Eligible Property from the seller as a completed residential unit, including: (a) all amounts paid, either in cash or in kind, by the Borrower (or a related party or for the benefit of the Borrower) to the seller (or a related person or for the benefit of the seller) as consideration for the Eligible Property, (b) the purchase price of the land and (c) if the Eligible Property is incomplete, the reasonable cost of completing it (to the extent that the builder thereof normally completes work on similar residences which he or she builds, and so that occupancy thereof is legally permitted); but exclusive of (i) usual and reasonable settlement or financing costs (but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the Borrower where financing is not provided through the proceeds of qualified mortgage bonds the interest on which is excluded from the gross income of the recipient for federal income tax purposes), (ii) the value of services performed by the Borrower or members of his or her family in completing the Eligible Property, (iii) the value of any income-producing component of the Eligible Property, (iv) the value of all items of personal property included in the Eligible Property and (v) the cost of land if owned by the Borrower for at least two years prior to the commencement of construction.

***Payment of Recapture Tax***. The Code mandates, under certain circumstances, a "recapture" of some of the subsidy received by a Borrower through borrowing under a Qualified Single Family Mortgage Program or through a mortgage credit certificate (the "**Recapture Tax**"). A payment of Recapture Tax may be required if (a) the financed property ceases to be the Borrower's principal residence in the first full nine years of ownership; (b) there is a profit on the sale of the home; and (c) the Borrower's household income increases significantly (generally more than 5% per year). The Authority has established a reimbursement program for its Borrowers who were required to pay and who paid the Recapture Tax. Upon receipt of proof that a Borrower of the Authority who was subject to a Recapture Tax actually paid the Recapture Tax to the IRS, the Authority will reimburse the Borrower the amount paid upon satisfaction of certain conditions. The reimbursement will be paid from general funds of the Authority. The Authority has evaluated the risks associated with this reimbursement program and determined that the likelihood is relatively low that a Borrower will be required to pay a Recapture Tax and that the Authority will subsequently have to reimburse such Borrower.

**Mortgage Purchase Agreement**

Each Mortgage Lender approved by the Authority to participate in the Authority's Single Family Mortgage Program has executed a Mortgage Purchase Agreement. Additional Mortgage Lenders may

become eligible to participate and, if approved by the Authority, will enter into a Mortgage Purchase Agreement. Purchases of Mortgage Loans by the Authority from Mortgage Lenders are made pursuant to Mortgage Purchase Agreements, which incorporate by reference the terms and provisions of the Seller's Guide. The Authority may have recourse against Mortgage Lenders upon violation of the terms of the Mortgage Purchase Agreement and/or Seller's Guide. The Seller's Guide provides that an origination fee may be charged to a Borrower. Mortgage Lenders may also receive additional payments from the Authority such as a servicing release premium and early purchase premium, if applicable, each in the amounts specified by the Authority from time to time.

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

**Seller's Guide**

Each Mortgage Purchase Agreement incorporates by reference the Seller's Guide, including all of the terms, conditions, representations and warranties therein. The Seller's Guide describes the procedures for locking Mortgage Loans, loan delivery and acquisition, and contains representations, warranties, covenants and agreements of the Mortgage Lender to the Authority, certain of which relate to: (a) the legality and validity of the Mortgage Loans and related documents; (b) the existence and conveyance to the Authority of a valid lien (subject only to current taxes and assessments not yet due and payable, and encumbrances permitted by the Authority) on the Eligible Property, located in the State and held in fee simple; (c) the absence of delinquencies with respect to payments on each Mortgage Loan; (d) the absence of defaults under each Mortgage Loan; (e) the Mortgage Lender's right to sell each Mortgage Loan to the Authority; (f) the existence and validity of hazard insurance on the Eligible Property acceptable to the Authority and compliance with applicable insurer, guarantor, investor and/or any other legal requirements; (g) compliance by the Mortgage Lender with all requirements relating to the sale, insurance or guaranty of the Mortgage Loan; (h) compliance with the requirements of the Code, as applicable; and (i) the requirement that any insurance or guaranty will inure to the benefit of the Authority. The Authority has the right to decline to purchase any Mortgage Loan offered to it if, in the reasonable opinion of the Authority, the Mortgage Loan does not conform to the requirements of the Act or the Seller's Guide. See "Mortgage Purchase Agreement" above.

*The Seller's Guide may be amended or supplemented by the Authority from time to time without notice to Bondowners.*

**Early Payoff Penalty**

If a Mortgage Loan is refinanced within 180 days of purchase by the Authority, regardless of whether the participating Mortgage Lender had any direct or indirect influence or involvement in promoting or soliciting such refinancing, or if a Mortgage Loan is otherwise paid in full within 180 days of purchase by the Authority, then, upon notice by the Authority, the participating Mortgage Lender must reimburse the Authority for all premiums paid by the Authority to the participating Mortgage Lender in connection with the acquisition of such Mortgage Loan.

**Servicing of the Mortgage Loans**

The Authority retains all mortgage servicing rights related to purchased single family mortgage loans, including the Mortgage Loans. The Authority has entered into a Subservicing Agreement with Dovenmuehle Mortgage, Inc. ("**DMI**") pursuant to which DMI serves as subservicer for the Authority's single-family mortgage loan portfolio (including the Mortgage Loans).

**Loss Mitigation**

For Mortgagors in default, the Authority actively seeks alternatives to foreclosure. The Authority, through DMI, follows the loss mitigation procedures of the relevant Mortgage Loan insurer, guarantor or investor. The Authority, through DMI, refers all Mortgagors in default to HUD-approved counseling agencies for assistance. See **APPENDIX I**—"INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE—FHA Insurance."

**Hazard Insurance**

Each Mortgagor must maintain a hazard insurance policy covering against loss caused by fire and hazards included within the terms of the policy.

In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of a residence by fire, lightning, smoke, windstorm and hail, riot, strike and civil commotion, subject to the conditions and exclusions particularized in each policy. Although the policies relating to the Mortgage Loans may be underwritten by different insurers and therefore will not contain identical terms and conditions, the basic terms thereof are dictated by Colorado law. Most policies typically do not cover any "physical damage" resulting from the following: war, revolution, governmental actions, earthquake, floods (unless in an applicable zone where flood insurance is required) and other water-related causes, nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft and, in certain cases, vandalism. The foregoing list is merely indicative of certain kinds of uninsured risks and is not intended to be all-inclusive or address damage covered in specialty insurance policies.

Most hazard insurance policies typically contain a "coinsurance" clause which will require the Mortgagor at all times to carry insurance of a specified percentage (generally 80% to 90%) of the full replacement value of the improvements on the residence in order to recover the full amount of any partial loss. If the purchased coverage falls below the specified percentage, the insurer's liability in the event of partial loss may be insufficient to restore fully the damage to the Eligible Property.

**Program Features**

The Authority acquires Mortgage Loans originated pursuant to the following Mortgage Loan Programs. Several of the requirements relating to origination, delivery and acquisition of Mortgage Loans discussed above may differ for Mortgage Loans originated pursuant to the Zero Interest First Mortgage Loan, Affordable Mortgage Solutions Loans, CHFA HomeAccess℠ and CHFA SectionEight℠ Homeownership Programs discussed below.

***Qualified Single Family Mortgage Programs***

*CHFA FirstStep℠ and CHFA FirstStep Plus℠ Programs*. The CHFA FirstStep℠ and CHFA FirstStep Plus℠ Programs are available for purchase loans only. They are restricted to those Borrowers who meet the First Time Homebuyer Requirement, to qualified veterans or to those Borrowers purchasing Targeted Area Residences. Borrowers must meet applicable gross annual income limits and certain purchase price limits. These Programs are currently only available for FHA insured mortgage loans; however, the Authority may at a later date expand the loan types that are eligible under these Programs. Second Mortgage Loans are available for assistance with down payment, closing costs, and prepaids under the CHFA FirstStep Plus℠ Program.

*CHFA FirstGeneration℠ and CHFA FirstGeneration Plus℠ Programs*. The CHFA FirstGeneration℠ and CHFA FirstGeneration Plus℠ Programs are limited to Borrowers who have never

owned a home and whose parents or guardians never owned a home during the Borrower's lifetime, as well as those Borrowers who have lived in the foster care system and never owned a home themselves. Borrowers must meet applicable gross annual income limits and certain purchase price limits. These Programs are currently only available for FHA insured mortgage loans; however, the Authority may at a later date expand the loan types that are eligible under these Programs. Eligible Borrowers have access to Second Mortgage Loans of up to $25,000 for assistance with down payment, closing costs, and prepaids under the CHFA FirstGeneration Plus℠ Program.

*Affordable Mortgage Solutions Loans.* Affordable Mortgage Solutions Loans are made by a non-profit organization to provide financing, through a subsidiary, to qualified borrowers purchasing homes. Some Affordable Mortgage Solutions Loans will be made to borrowers who are expected to contribute a certain minimum number of required hours of "sweat equity" into the construction of the home in lieu of a down payment. Other Affordable Mortgage Solutions Loans will be for homes that are already constructed and available in the market. Affordable Mortgage Solutions Loans may have a stated rate of interest of 0% or may bear interest at interest rates that are expected to be below market.

***Non-Qualified Single Family Mortgage Programs***

*CHFA SmartStep℠ and CHFA SmartStep Plus℠ Programs.* Mortgage Loans originated under these Programs include FHA, VA and RHS insured or guaranteed loans. Under the CHFA SmartStep Plus℠ Program, the Authority may make Second Mortgage Loans or CHFA DPA Grants to eligible borrowers to finance down payment and/or closing costs.

*Zero Interest First Mortgage Loans*. Zero Interest First Mortgage Loans are loans which have been made by a non-profit organization to Borrowers in principal amounts equal to the cost of construction of the dwelling, with no interest. The Borrowers are expected to contribute a certain minimum number of required hours of "sweat equity" into the construction of the dwelling in lieu of a down payment. The annual repayment obligation of Zero Interest First Mortgage Loans is based on a certain percentage of the respective Borrower's gross annual income and the respective maturities of the Zero Interest First Mortgage Loans are derived as a result of the repayment terms. The Zero Interest First Mortgage Loans are not insured or guaranteed and do not need to meet any loan-to-value ratios. However, in the event of default, the non-profit organization is generally required to substitute the defaulted Zero Interest First Mortgage Loan with a comparable performing Zero Interest First Mortgage Loan or notify the Authority to commence the foreclosure process. If the non-profit organization is unable to find a comparable performing Zero Interest First Mortgage Loan, the Authority may, from time to time, agree to accept from the non-profit organization the unpaid principal balance of the defaulted Zero Interest First Mortgage Loan. Zero Interest First Mortgage Loans are purchased by the Authority, and they may have cash assistance or one or more subordinate mortgage loans from other entities. Terms of the Zero Interest First Mortgage Loans may be amended from time to time and the level of such Zero Interest First Mortgage Loans so acquired may be determined by the Authority, to the extent consistent with the then current Cash Flow Statement and Authority Certification required by the related Series Indenture to demonstrate that the Class I Asset Requirement, the Class II Asset Requirement and the Class III Asset Requirement for the particular Series of Bonds will be met after taking into account such terms and level. The Authority charges a small one-time, up-front administrative fee for each Zero Interest First Mortgage Loan.

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*CHFA SectionEight℠ Homeownership and CHFA SectionEight℠ Homeownership Plus Programs*. Under its CHFA SectionEight℠ Homeownership Program, the Authority may make 30-year Mortgage Loans to first-time homebuyers that meet certain income limit requirements for eligible property subject to certain other restrictions. Persons who receive Housing Assistance Payments from Public Housing Authorities ("**PHA**") and who are approved to participate in a PHA's homeownership programs may be eligible to participate in the CHFA SectionEight Homeownership and the CHFA SectionEight Homeownership Plus Programs. Under the CHFA SectionEight Homeownership Plus Program, the Authority may make Second Mortgage Loans or CHFA DPA Grants to eligible borrowers to finance a down payment and/or closing costs.

*CHFA HomeAccess℠ Program*. The CHFA HomeAccess℠ Program is intended to assist persons with permanent disabilities or who are the custodial parents or legal guardians of an individual who has a permanent disability to achieve homeownership. The Authority may provide Borrowers under the CHFA HomeAccess Program with a Second Mortgage Loan for down payment and closing cost assistance of up to $25,000, regardless of the First Mortgage Loan Amount.

*CHFA Preferred℠ and CHFA Preferred Plus℠ Programs.* Mortgage Loans originated under these Programs will be conventional insured loans (which include Freddie Mac and Fannie Mae product options), with, in most cases, a maximum loan-to-value ratio of 97% and maximum combined loan-to-value of 105%, as applicable. If the loan-to-value ratio is 80% or under, mortgage insurance is not required. Under the CHFA Preferred Plus Program, the Authority may make Second Mortgage Loans to eligible borrowers to finance a down payment and/or closing costs.

*CHFA BuilderCommitment℠ and CHFA BuilderCommitment℠ Plus Programs.* The CHFA BuilderCommitment Program is a pilot program restricted to lenders working with Colorado builders that construct for-sale single family housing units within the State of Colorado and that desire to either purchase a bulk reservation of Mortgage Loans at a reduced interest rate for a fee and/or permanently reduce the interest rate on an individual Mortgage Loan for a fee. Mortgage Loans originated under these Programs include FHA insured or conventional insured loans (which include Freddie Mac and Fannie Mae product options). Under the CHFA BuilderCommitment Plus Program, the Authority may make Second Mortgage Loans to eligible borrowers to finance a down payment and/or closing costs.

*Community Land Trust Program.* The Authority may acquire First Mortgage Loans with a first lien on residences built on leased ground in connection with a Community Land Trust. The remaining term of the ground leases may not be less than the term for repayment of the Bonds secured by the First Mortgage Loans. The Authority's purchase of Community Land Trust loans is subject to applicable Single Family Mortgage Loan program guidelines.

***Down Payment and Closing Cost Assistance.*** The Authority has established programs to allow Borrowers to finance all or a portion of the closing costs and down payment requirements with respect to Mortgage Loans originated under the Single Family Mortgage Program.

*Second Mortgage Loans*. Under most of the Authority's programs, Second Mortgage Loans can be originated for up to 4% of the first mortgage loan amount, not to exceed $25,000, with a term of 30 years and a stated rate of interest of 0%.

Generally, Second Mortgage Loans are due in full upon the sale of the property, the refinance of the related First Mortgage Loan, payment in full of the related First Mortgage Loan, transfer of title, or if the property is no longer the Borrower's principal residence. The Second Mortgage Loan can be prepaid in full or in part at any time without penalty. The Second Mortgage Loan is not assumable.

Terms may differ for Second Mortgage Loans made under the CHFA FirstGeneration℠ Program, CHFA FirstGeneration Plus℠ Program, and CHFA HomeAccess℠ Program. See "CHFA FirstGeneration℠ and CHFA FirstGeneration Plus℠ Program" and "CHFA HomeAccess℠ Program" above.

The percentage and aggregate amounts available from Bond proceeds for the funding of such Second Mortgage Loans from time to time must be at levels consistent with the then current Cash Flow Statements and Authority Certification required by the related Series Indenture to demonstrate that the Class I Asset Requirement, the Class II Asset Requirement and the Class III Asset Requirement for the particular Series of Bonds will be met after taking into account such levels for Second Mortgage Loans.

*CHFA DPA Grants*. CHFA DPA Grants are unsecured, non-repayable grants for use toward a borrower's down payment, closing costs and/or prepaid expenses. The Authority makes available, under certain of its Single Family Mortgage Loan programs, a CHFA DPA Grant in an amount of up to 3% of the original principal amount of the First Mortgage Loan, not to exceed $25,000. There is no separate application process for CHFA DPA Grants. To be eligible, the loan applicant need only be approved under one of the Authority's Single Family Mortgage Loan programs that offer CHFA DPA Grants.

(End of Part II)

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## APPENDIX A-1

## SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

The following are certain definitions contained in the Master Indenture and summaries or extracts of certain provisions contained in the Master Indenture and are not to be considered as a full statement thereof. Reference is made to the Master Indenture for full details of all of the terms of the Bonds, the security provisions with respect thereto and the other terms thereof. Copies of the Master Indenture are available from the Underwriters or the Authority.

**Definitions**

"*Account*" or "*Accounts*" means one or more of the special trust accounts created and established pursuant to the Master Indenture or a Series Indenture.

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

"*Acquisition Account*" means the Account so designated, which is created and established in the Program Fund by the Master Indenture.

"*Act*" means the Colorado Housing and Finance Authority Act, being Part 7, Article 4, Title 29 of Colorado Revised Statutes.

"*Adjustable Rate Bonds*" means Bonds the interest rate on which is not fixed to maturity. Adjustable Rate Bonds may be designated as Class I, Class II, Class III or Class IV Bonds as provided in the Related Series Indenture.

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

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

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

"*Authority Certificate*" means, as the case may be, a document signed by the Chair, Vice Chair or an Authorized Officer either (a) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) setting forth matters to be determined by such Authorized Officer pursuant to the Indenture.

"*Authority Payment Account*" means the Account so designated, which is created and established in the Debt Service Fund with respect to General Obligation Bonds by the Master Indenture.

"*Authority Request*" means a written request or direction of the Authority signed by an Authorized Officer.

"*Authorized Officer*" means the Chair, Chair pro tem or Executive Director of the Authority, and any other officer designated from time to time as an Authorized Officer by resolution of the Authority and, when used with reference to any act or document, also means any other person authorized by resolution of the Authority to perform such act or sign such document.

"*Auxiliary Agreements*" means Interest Rate Contracts and Liquidity Facilities.

"*Auxiliary Agreement Providers*" means Interest Rate Contract Providers and Liquidity Facility Providers.

"*Auxiliary Obligations*" means obligations of the Authority for the payment of money under Auxiliary Agreements.

"*Bond*" or "*Bonds*" means any of the bonds, notes or other financial obligations (however denominated) of the Authority authorized and issued under the Indenture, including any Refunding Bonds.

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

"*Bondowner*" or "*Owner*" or "*Owner of Bonds*" or similar term, when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

"*Bond Purchase Fund*" means the Fund so designated, which is created and established by a Series Indenture.

"*Bond Registrar*" means the bank, trust company or national banking association, appointed as Bond Registrar under the Master Indenture, and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other person at any time substituted in its place as Bond Registrar pursuant to the Indenture.

"*Bond Year*" means, with respect to each Series, the 12-month period designated as such by the Related Series Indenture, except that the first Bond Year for any Bonds may commence on the date of issuance thereof and end on the date specified by such Series Indenture.

"*Borrower*" means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing, who is a person or family of "low or moderate income" qualifying as such under the Act and the Rules and Regulations and, as applicable, in accordance with the Code.

"*Business Day*" means, except as set forth in a Series Indenture, any day (a) on which banks in the cities in which the respective principal offices of the Paying Agent, the Bond Registrar, the Trustee and Related Auxiliary Obligation Providers are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open. For purposes of this definition, the principal office of a Liquidity Facility Provider shall be the office to which demands for payment are delivered.

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

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

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

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

"*Class I Asset Requirement,*" with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"*Class I Auxiliary Obligations*" means Auxiliary Obligations which the Authority designates as Class I Auxiliary Obligations by resolution or in the Related Series Indenture.

"*Class I Bonds*" means the Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"*Class I Debt Service Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Class I Obligations*" means the Class I Bonds and the Class I Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class I Bonds and any Related Class I Auxiliary Obligations.

"*Class I Sinking Fund Installment*" means the amount designated for any particular due date in the Related Series Indenture for the retirement of Class I Bonds on an unconditional basis, less any amount credited pursuant to the Master Indenture.

"*Class I Special Redemption Account*" means the Account so designated, which is created and established in the Redemption Fund by the Master Indenture.

"*Class II Asset Requirement*," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"*Class II Auxiliary Obligations*" means Auxiliary Obligations which the Authority designates as Class II Auxiliary Obligations by resolution or in the Related Series Indenture.

"*Class II Bonds*" means the Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"*Class II Debt Service Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Class II Obligations*" means the Class II Bonds and the Class II Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class II Bonds and any Related Class II Auxiliary Obligations.

"*Class II Sinking Fund Installment*" means the amount designated for any particular due date for the retirement of Class II Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class II Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to the Master Indenture.

"*Class II Special Redemption Account*" means the Account so designated, which is created and established in the Redemption Fund by the Master Indenture.

"*Class III Asset Requirement*," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"*Class III Auxiliary Obligations*" means Auxiliary Obligations which the Authority designates as Class III Auxiliary Obligations by resolution or in the Related Series Indenture.

"*Class III Bonds*" means the Colorado Housing and Finance Authority Single Family Mortgage Class III Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"*Class III Debt Service Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Class III Obligations*" means the Class III Bonds and the Class III Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class III Bonds and any Related Class III Auxiliary Obligations.

"*Class III Sinking Fund Installment*" means the amount designated for any particular due date for the retirement of Class III Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class III Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to the Master Indenture.

"*Class III Special Redemption Account*" means the Account so designated, which is created and established in the Redemption Fund by the Master Indenture.

"*Class IV Asset Requirement*," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"*Class IV Auxiliary Obligations*" means Auxiliary Obligations which the Authority designates as Class IV Auxiliary Obligations by resolution or in the Related Series Indenture.

"*Class IV Bonds*" means the Colorado Housing and Finance Authority Single Family Mortgage Class IV Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"*Class IV Debt Service Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Class IV Obligations*" means the Class IV Bonds and the Class IV Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class IV Bonds and any Related Class IV Auxiliary Obligations.

"*Class IV Sinking Fund Installment*" means the amount designated for any particular due date for the retirement of Class IV Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class IV Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to the Master Indenture.

"*Class IV Special Redemption Account*" means the Account so designated, which is created and established in the Redemption Fund by the Master Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended, with respect to a Series to the date of initial issuance of such Series, and the regulations of the United States Treasury Department promulgated thereunder.

"*Compound Interest Bonds*" means any Bond of a Series, tenor and maturity so designated in the Related Series Indenture for which certain determinations under the Indenture are made on the basis of Accreted Value rather than principal amount.

"*Conventional Mortgage Loan*" means a Mortgage Loan, other than an FHA Insured Mortgage Loan, a VA Mortgage Loan or other Mortgage Loan insured or guaranteed by a Governmental Insurer, which meets the requirements of Fannie Mae or Freddie Mac, as applicable.

"*Corporate Trust Office*" means, when used with respect to any Fiduciary, the corporate trust office specified by such Fiduciary at which, at any particular time, specified duties of such Fiduciary with respect to the Indenture are being administered.

"*Cost of Issuance Account*" means the Account so designated, which is created and established within the Program Fund by the Master Indenture.

"*Costs of Issuance*" means the items of expense payable or reimbursable directly or indirectly by the Authority and other costs incurred by the Authority, all related to the authorization, sale and issuance of Bonds, the execution and delivery of Auxiliary Agreements and the establishment of the Program, which costs and items of expense shall include, but not be limited to, underwriters' compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the Authority in relation to such issuance of Bonds or for the Program, initial fees, charges and expenses (including counsel's fees and expenses) of the Authority, the Trustee, the Bond Registrar and the

Paying Agent, initial premiums with respect to insurance required by the Indenture to be paid by the Authority or by the Trustee, legal fees and charges (including, without limitation, the fees and expenses of Bond Counsel, the Authority's disclosure counsel, counsel to the underwriter and counsel to the Authority), professional consultants' fees, accountants' fees, mortgagor counseling fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds and any other costs, charges and fees in connection with the foregoing.

"*Counsel's Opinion*" means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Authority or an attorney or firm of attorneys retained by the Authority in other connections) licensed to practice in the state in which such attorney or firm of attorneys maintains an office, selected from time to time by the Authority.

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

"*Debt Service Reserve Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Debt Service Reserve Fund Requirement*," with respect to each Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"*Defeasance Securities*" means any Investment Securities used to effect defeasance of Bonds in accordance with the Master Indenture if upon such defeasance the Bonds so defeased are rated in the highest rating category by each Rating Agency rating such Bonds and which are not subject to redemption by the issuer thereof prior to their maturity.

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

"*Eligible Borrower*" means a person or a family qualifying as a mortgagor for a Mortgage Loan under determinations made by the Authority in accordance with the Act.

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

"*Event of Default*" means any of those events defined as Events of Default under "Events of Default" in this Appendix A-1.

"*Excess Earnings*" means, with respect to Mortgage Loans and MBS held in any subaccount of the Acquisition Account or the Loan Recycling Account established in connection with a Series of Tax-exempt Bonds, the "excess earnings" as defined in Treasury Regulations § 1.148-10T, with respect thereto.

"*Excess Earnings Fund*" means the Fund so designated, which is created and established by the Master Indenture.

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

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

"*Fannie Mae Certificate Purchase Price*" means 100% of the principal balance of the applicable pool of Mortgage Loans on record at Fannie Mae on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Authority to the Trustee upon the acquisition of the related Fannie Mae Certificate.

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

"*FHA Insured Mortgage Loan*" means a Mortgage Loan insured by FHA.

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

"*Fiduciary Expenses*" means the fees and expenses of Fiduciaries, including fees and expenses of Fiduciaries' counsel, but not including Servicing Fees payable to such Persons.

"*Fiscal Year*" means a period beginning on January 1 in any year and ending December 31 of the same year or such other 12-month period as may be adopted by the Authority in accordance with law.

"*Freddie Mac*" means the Federal Home Loan Mortgage Corporation or any successor thereto.

"*Freddie Mac Certificate*" means a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a pool of Conventional Mortgage Loans identified by a particular alphanumeric number and CUSIP number, guaranteed as to timely payment of principal and interest by Freddie Mac and bearing interest at the Pass-Through Rate, which will mature not later than the date set forth in the applicable Series Indenture.

"*Freddie Mac Certificate Purchase Price*" means 100% of the principal balance of the applicable pool of Mortgage Loans on record at Freddie Mac on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Authority to the Trustee upon the acquisition of the related Freddie Mac Certificates.

"*Fund*" or "*Funds*" means one or more of the special trust funds created and established pursuant to the Master Indenture or a Series Indenture.

"*General Obligation Bond*" means a Bond the payment of principal of and interest on which is a General Obligation of the Authority.

"*General Obligation Bond Default*" means the event specified in the Master Indenture.

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

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

"*Ginnie Mae Certificate Purchase Price*" means 100% of the percentage of the principal balance of the applicable pool of Mortgage Loans on record at Ginnie Mae on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Authority to the Trustee upon the acquisition of the related Ginnie Mae Certificate.

"*Governmental Insurer*" means FHA, VA, the U.S. Department of Housing and Urban Development, the Rural Housing Service (formerly, the Rural Housing and Community Development Service, the successor to the Farmers Home Administration), and any other governmental agency which insures or guarantees mortgage loans that can be backed by a Ginnie Mae Certificate.

"*Indenture*" means this Master Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

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

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

"*Interest Rate Contract Provider*" means a Person that is a party to an Interest Rate Contract with the Authority with respect to specified Bonds and who satisfies the applicable requirements of the Interest Rate Exchange Agreements Act, being Article 59.3, Title 11 of Colorado Revised Statutes, and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"*Interest Rate Contract Revenues*" means all payments and receipts received by the Authority under an Interest Rate Contract.

"*Interest Reserve Account*" means the Account so designated, which is created and established within the Debt Service Reserve Fund by the Master Indenture.

"*Investment Provider*" means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), whose credit rating (or the equivalent of such rating by virtue of guarantees or insurance arrangements) by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or is otherwise acceptable to each such Rating Agency in order to maintain the then current rating on such Bonds by such Rating Agency, which Investment Providers shall be approved by the Authority for the purpose of providing investment agreements.

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

"*Investment Securities*" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(a) Direct, general obligations of, or obligations the timely payment of principal and interest of which are unconditionally guaranteed by, the United States of America;

(b) Obligations, debentures, notes, collateralized mortgage obligations, mortgage-backed securities or other evidence of indebtedness issued or guaranteed by any of the following: Federal Farm Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Fannie Mae (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Farmers Home Administration; Freddie Mac (including participation certificates only if they guarantee timely payment of principal and interest); Ginnie Mae (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Federal Financing Bank; or Federal Housing Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(c) Repurchase agreements, collateralized by Investment Securities described in clause (a) or clause (b) of this definition, with any institution, any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, and collateralized in such manner to meet all requirements for collateralized repurchase agreements of each Rating Agency rating the Class I Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(d) General obligations or revenue obligations (including bonds, notes or participation certificates) of, or "private activity bonds" (within the meaning of the Code) issued by any state of the United States of America or any political subdivision thereof, or any agency or instrumentality of any state of the United States of America or any political subdivision thereof, which obligations are rated by each Rating Agency then rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, or any money market or short-term investment fund investing substantially in or consisting substantially of and secured by obligations described above in this item (d), which fund is rated by each Rating Agency then rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency and which fund, if the income from such investment is intended to be excluded from gross income for federal income tax purposes, is included in the definition of "tax-exempt bond" set forth in Treasury Regulation § 1.150-1(b);

(e) General obligations of Investment Providers under investment agreements approved in a Series Indenture or other investment agreements having substantially similar terms;

(f) Certificates of deposit, interest-bearing time deposits, or other similar banking arrangements with a bank or banks (i) rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or (ii) collateralized in such manner to meet all requirements for collateralized agreements of each Rating Agency rating the Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(g) Commercial paper rated by each Rating Agency rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

(h) Shares in the statutory law trust known as the Colorado Local Government Liquid Asset Trust (COLOTRUST), created pursuant to Part 7 of Article 75 of Title 24, Colorado Revised Statutes; and

(i) Units of a money market fund or a money market mutual fund which has a rating from each Rating Agency then rating the Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

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 the Indenture, thus permitting investments with different characteristics from those listed above which the Authority deems from time to time to be in the interest of the Authority to include as Investment Securities if at the time of inclusion the Trustee shall have received written confirmation from the Rating Agencies that such inclusion will not, in and of itself, impair, or cause any of the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agencies.

"*Liquidity Facility*" means a letter of credit, standby bond purchase agreement, security bond, reimbursement agreement or other agreement between the Authority and a Liquidity Facility Provider with respect to specified Bonds issued under the Master Indenture.

"*Liquidity Facility Provider*" means a Person that is a party to a Liquidity Facility with the Authority with respect to specified Bonds and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"*Loan Recycling Account*" means the Account so designated which is created and established in the Program Fund by the Master Indenture.

"*MBS*" means, collectively, the Ginnie Mae Certificates, the Fannie Mae Certificates and the Freddie Mac Certificates. In the event that only a portion of or interest in an MBS is acquired under the Indenture, references herein to such MBS shall be interpreted and applied to relate to such portion or interest.

"*Mortgage*" means a mortgage, deed of trust or other instrument creating a lien on real property within the State and improvements constructed or to be constructed thereon or on a leasehold under a lease of such real property having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the Mortgage Loan secured by such instrument.

"*Mortgage Lender*" means a "lender" as defined in the Act and which has been approved by the Authority pursuant to the Rules and Regulations.

"*Mortgage Loan*" means a permanent loan secured by a Mortgage for the purchase or rehabilitation of Residential Housing made to a Borrower either by the Authority or by an originating Mortgage Lender which is purchased by the Authority pursuant to a Mortgage Purchase Agreement and which loan satisfies the requirements of the Master Indenture. In the event that only a portion of or interest in a Mortgage Loan is purchased under the Indenture, references herein to such Mortgage Loan shall be interpreted and applied to relate to such portion or interest.

"*Mortgage Purchase Agreement*" means a written agreement between a Mortgage Lender and the Authority providing for the purchase of a Mortgage Loan by the Authority, including any related invitations to Lenders and commitment agreements, and any documents incorporated by reference therein.

"*Mortgage Repayments*" means, with respect to any Mortgage Loan or the related MBS, the amounts received by or for the account of the Authority as scheduled payments of principal of and interest (if any) on such Mortgage Loan or related MBS by or on behalf of the Borrower to or for the account of the Authority and does not include Prepayments, Servicing Fees or Escrow Payments.

"*Mortgage Revenues*" means all Revenues other than Investment Revenues and Interest Rate Contract Revenues.

"*Notice Parties*" means the Authority, the Trustee, the Bond Registrar and the Paying Agent.

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

(a) any Bond cancelled or delivered to the Bond Registrar for cancellation on or before such date;

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

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(d) any Bond deemed to have been paid as provided in the Master Indenture;

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

"*Participant*" means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

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

"*Paying Agent*" means the bank, trust company or national banking association, appointed as Paying Agent under the Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Paying Agent pursuant to the Indenture.

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

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

"*Prepayment*" means any moneys received or recovered by or for the account of the Authority from any unscheduled payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any Mortgage Loan prior to the scheduled payments of principal called for by such Mortgage Loan, whether (a) by voluntary prepayment made by the Borrower or (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Authority or by any other proceedings taken by the Authority.

"*Principal Installment*" means, as of any date of calculation, and for any Payment Date, (a) the principal amount or Accreted Value of all Bonds due and payable on such date, plus (b) any Class I, Class II, Class III and Class IV Sinking Fund Installments due and payable on such date.

"*Program*" means the Authority's Single Family Program pursuant to which the Authority has determined to finance Mortgage Loans in accordance with the Act, the Rules and Regulations and the Indenture.

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

"*Program Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Qualified Mortgage Loan Mortgage Backed Securities*" means Investment Securities which constitute collateralized mortgage obligations issued by Fannie Mae, the Government National Mortgage Association or the Federal Home Loan Mortgage Corporation, the underlying mortgages of which would constitute Mortgage Loans for purposes of the Indenture if acquired by the Trustee from money in the Acquisition Account.

"*Qualified Surety Bond*" means any surety bond, letter of credit, insurance policy or other instrument which has liquidity features equivalent to a letter of credit, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for moneys on deposit therein, which shall have no adverse-impact on the rating assigned to any Bonds by any Rating Agency.

"*Rating Agency*" means, at any particular time, any nationally recognized credit rating service designated by the Authority, if and to the extent such service has at the time one or more outstanding ratings

of Bonds. The Authority shall at all times have designated at least one such service as a Rating Agency hereunder.

"*Rebate Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Rebate Requirement*" means the amount of arbitrage profits earned from the investment of gross proceeds of Tax-exempt Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as "Rebate Amount" in Section 1.148-3 of the Treasury Regulations, which is payable to the United States at the times and in the amounts specified in such provisions.

"*Record Date*" means, except as otherwise provided in a Series Indenture, with respect to each Payment Date, with respect to Bonds which are not Adjustable Rate Bonds, the Bond Registrar's close of business on the fifteenth day of the month immediately preceding such Payment Date or, if such date is not a Business Day, the next preceding day which is a Business Day and with respect to Adjustable Rate Bonds, the Bond Registrar's close of business on the Business Day immediately preceding such Payment Date; and, in the case of each redemption, such Record Date shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the transmission of such notice of redemption.

"*Redemption Fund*" means the Fund so designated, which is created and established by the Master Indenture.

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

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

"*Residential Housing*" or "*Residence*" means a single-family, owner-occupied dwelling located within the State that qualifies for financing by the Authority within the meaning of the Act, the Rules and Regulations and, as applicable, the Code and related regulations.

"*Revenue Fund*" means the Fund so designated, which is created and established by the Master Indenture.

"*Revenues*" means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, (c) Interest Rate Contract Revenues and (d) all other payments and receipts received by the Authority with respect to Mortgage Loans and MBS, but shall not include (i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by the Authority in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Mortgage Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Securities.

"*Rules and Regulations*" means the Authority's Single Family Program Rules and Regulations adopted by the Authority pursuant to the Act, as the same may be amended and supplemented from time to time.

"*Second Mortgage*" means a Mortgage constituting a second lien on real property.

"*Second Mortgage Loan*" means a Mortgage Loan secured by a Second Mortgage.

"*Securities Depository*" means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Series Indenture, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the Authority discontinues use of the Securities Depository pursuant to the Master Indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with the consent of the Trustee.

"*Serial Bonds*" with respect to a Series of Bonds shall have the meaning set forth in a related Series Indenture.

"*Series*" means and refers to all of the Bonds designated as such in the Related Series Indenture and authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the Master Indenture and the Related Series Indenture.

"*Series Indenture*" means a Supplemental Indenture authorizing a Series of Bonds and delivered pursuant to the Master Indenture.

"*Servicer*" means a state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Authority as experienced and qualified to service Mortgage Loans, and any successor thereto.

"*Servicing Agreement*" means a written agreement between the Authority and a Servicer (other than the Authority) providing for the servicing of Mortgage Loans.

"*Servicing Fees*" means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with the Related Servicing Agreement, and (b) any fees and ancillary income retained by or expenses reimbursed to the Authority with respect to Mortgage Loans serviced by the Authority.

"*Short Term Bond Account*" means the Account so designated, which is created and established in the Program Fund in the Master Indenture.

"*State*" means the State of Colorado.

"*Supplemental Indenture*" means any supplemental indenture (including a Series Indenture) approved by the Authority in accordance with the Master Indenture amending or supplementing the Indenture.

"*Targeted Area*" means a "targeted area" within the meaning of Section 143 of the Code.

"*Targeted Area Residence*" means a "targeted area residence" within the meaning of Section 143 of the Code.

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

"*Term Bonds*" means bonds for which Class I, Class II, Class III or Class IV Sinking Fund Installments have been established as provided in the Related Series Indenture.

"*Trustee*" means the bank, trust company or national banking association, appointed as trustee under the Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Trustee pursuant to the Indenture.

"*Trust Estate*" means the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of the Master Indenture.

"*Unrelated*" (whether capitalized or not) means not "Related," within the meaning of that term as defined above.

"*VA*" means the Veterans Administration, an agency of the United States, or any successors to its functions.

"*VA Mortgage Loan*" means a Mortgage Loan guaranteed by VA.

**Indenture Constitutes a Contract**

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Indenture by those who shall own the same from time to time and in consideration for the execution and delivery of Auxiliary Agreements by Auxiliary Agreement Providers: the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, the Bond Registrar, the Paying Agent, the Auxiliary Agreement Providers and the Owners from time to time of the Bonds; the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made in the Indenture and the covenants and agreements set forth in the Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Bonds and Auxiliary Agreement Providers, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Bonds or Auxiliary Obligations over any other thereof, subject to the provisions respecting the priority of certain Classes of Bonds and Auxiliary Obligations over other Classes of Bonds and Auxiliary Obligations as set forth in the Master Indenture, and except as expressly provided in or permitted by the Indenture. Unless otherwise specified in a Series Indenture (in which the Authority may designate one or more Classes of Related Bonds and Auxiliary Obligations as General Obligations) the Bonds and Auxiliary Obligations shall be special limited obligations of the Authority payable solely from the moneys, rights and interest pledged therefor in this Master Indenture. Except as provided herein and in Related Series Indentures with respect to General Obligations, the Authority shall not be required to advance for any purpose of the Indenture any moneys derived from any source other than the Revenues and other assets pledged under the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for such purpose any moneys of the Authority which may be available for such purpose. Neither the Class I Obligations, the Class II Obligations, the Class III Obligations nor the Class IV Obligations shall be in any way a debt or liability or obligation of the State or any political subdivision thereof (other than the Authority) nor constitute or give rise to a pecuniary liability of the State or of any such political subdivision (other than the Authority with

respect to General Obligation Bonds) or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

**Pledge Effected by Indenture**

The pledge and lien of the Indenture is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture; provided, however, that moneys and investments held in an Authority Payment Account are pledged solely for the payment of Principal Installments, Redemption Price of, interest on and other amounts payable with respect to General Obligations of the Related Series and Class with respect to which such account was created and are not pledged to pay principal, Redemption Price of, interest on and other amounts payable with respect to any other Bonds or Auxiliary Obligations and, provided, further, that moneys and securities held in a subaccount of the Short Term Bond Account may be pledged by the Related Series Indenture solely, or as a first priority, for the payment of the Related Series of Bonds or any portion thereof as set forth in such Series Indenture.

**Authorization of Bonds**

Upon satisfaction of the conditions contained in the Indenture, Bonds may be issued under the Indenture, without limitation as to amount except as may be provided in the Indenture or by law, from time to time, in one or more Series pursuant to a Series Indenture or Indentures; provided, however, that such Bonds may be issued only to provide funds to: (a) make deposits in amounts, if any, required or authorized by the Series Indenture to be paid into Funds or Accounts established by the Master Indenture or in the Series Indenture and (b) refund Bonds issued hereunder or other bonds or obligations of the Authority. Auxiliary Agreements may only be executed and delivered by the Authority in connection with the issuance and delivery of a Series of Bonds under the Master Indenture or in connection with the renewal, substitution or extension of an existing Auxiliary Agreement which was so delivered.

**Funds and Accounts Established by the Indenture**

The following Funds and Accounts are created and established as special trust funds by the Indenture: (a) the Program Fund, consisting of (i) the Acquisition Account; (ii) the Short Term Bond Account; (iii) the Cost of Issuance Account; and (iv) the Loan Recycling Account; (b) the Revenue Fund; (c) the Debt Service Reserve Fund, which shall include the Interest Reserve Account; (d) the Class I Debt Service Fund, which may include an Authority Payment Account; (e) the Class II Debt Service Fund, which may include an Authority Payment Account; (f) the Class III Debt Service Fund, which may include an Authority Payment Account; (g) the Class IV Debt Service Fund, which may include an Authority Payment Account; (h) the Redemption Fund, consisting of (i) the Class I Special Redemption Account; (ii) the Class II Special Redemption Account; (iii) the Class III Special Redemption Account; and (iv) the Class IV Special Redemption Account; (i) the Rebate Fund; and (j) the Excess Earnings Fund.

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

Subject to the provisions of any Series Indenture, the Authority may reallocate moneys, investments, Mortgage Loans and MBS (or portions thereof or interests therein) among Series under any of the following circumstances (a) if and to the extent required by the Indenture; (b) if and to the extent necessary to enable the Authority to deliver a Cash Flow Statement with respect to one or more Series; (c) in connection with an Authority Request filed pursuant to the Indenture; and (d) upon Authority Request, accompanied by an Opinion of Bond Counsel, to assure the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; and (e) if and to the extent that the aggregate amount of moneys, investments, Mortgage Loans and MBS allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

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

**Acquisition of Mortgage Loans**

No Mortgage Loan shall be made or purchased by the Authority, and no MBS shall be acquired by the Authority with respect to a Mortgage Loan, unless (i) the Mortgage Loan complies with, and is in fulfillment of the purposes of, the Act, including the requirement that such Mortgage Loan has been made to an Eligible Borrower, and (ii) except to the extent, if any, that a variance is required as a condition to the insurance or guaranty of such Mortgage Loan, such Mortgage Loan complies with the following conditions:

(a) The Mortgage shall be executed and recorded in accordance with the requirements of existing laws.

(b) The Mortgage (except for any Second Mortgage) is the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of the Mortgage Loan, insuring that the Mortgage constitutes a valid lien, subject only to liens for taxes and assessments and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured; provided, however, that the Authority may finance a Mortgage Loan prior to the issuance of such title insurance policy so long as there shall have been issued by the title insurance company a commitment therefor in customary form. As used in the Master Indenture, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to any governmental or private insurer insuring or guaranteeing such Mortgage Loan and to prudent mortgage lenders, or which, in the judgment of the Authority, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Authority, have been taken to secure the interest of the Authority.

(c) The Mortgage Loan is subject to such mortgage insurance or guaranty as may be required by the Related Series Indenture; provided, however, that (i) the Authority may finance a Mortgage Loan prior to actual issuance of the policy of mortgage insurance or guaranty so long as: (1) there shall have been issued by the mortgage insurer a commitment in customary form to issue mortgage insurance with respect to such Mortgage Loan to the extent referred to above; and (2) the Mortgage Loan satisfies all other requirements under this caption; and (ii) no Mortgage Loan subject to any particular type of mortgage

insurance (such as private mortgage insurance or a United States Department of Veterans Affairs ("**VA**") guaranty) shall be purchased by the Authority if such purchase would result in the aggregate amount of Mortgage Loans subject to such particular type of mortgage insurance exceeding any applicable limitation set forth in the Related Series Indenture.

(d) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, prior liens, insurance premiums and other charges, to the extent actually charged or assessed, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, prior liens, insurance premiums and other charges and prior liens shall be added to the amount of the Mortgage Loan and secured by the Mortgage payable on demand with interest (if applicable) at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, prior liens, insurance premiums and other charges are made which are satisfactory to the Authority.

(e) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made is insured, as and to the extent required by the Authority to protect its interest and with the Authority designated as the loss payee as its interest may appear, against loss or damage by (i) fire, lightning and other hazards, with a uniform standard extended coverage endorsement; and (ii) flooding, if the Residential Housing is located in an area designated by or on behalf of the Government as having specific flood hazards; and the Borrower is obligated to reimburse the Mortgage Lender or the Authority for any premiums paid for insurance made by or on behalf of the Mortgage Lender or the Authority on the Borrower's default in so insuring.

(f) If Mortgage Loans are acquired by the Authority and held temporarily in its general fund prior to transfer to the Trust Estate, such Mortgage Loans may be transferred to the Trust Estate if such loans satisfied the Indenture and Program requirements as of the date of purchase into the Authority's general fund.

(g) The Mortgage Loan is secured by a Mortgage the terms of which, in light of the applicable law in effect at the time such Mortgage is executed, are reasonably designed to assure the ability of the Authority to satisfy applicable requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

**Unexpended Moneys**

Any moneys deposited in the Acquisition Account that the Authority certifies from time to time will not be used to purchase Mortgage Loans or MBS in accordance with the Master Indenture and the Related Series Indenture shall be withdrawn by the Trustee on the date specified in the Related Series Indenture or such other date or dates on or after such date as may be specified by the Authority, and transferred to the Related subaccount of the Redemption Fund for application in accordance with the Related Series Indenture; provided, however, that such transfer or transfers may be made on a later date as to all or any part of such moneys, if the Authority shall have filed with the Trustee an Authority Request specifying a later date or dates for such withdrawal, and certifying that such Authority Request is consistent with the most recently filed Cash Flow Statement and the Related Series Indenture.

**Cost of Issuance Account**

Upon the issuance, sale and delivery of Bonds, the Trustee shall deposit in the Related subaccount of the Cost of Issuance Account such moneys, if any, as shall be specified in the Related Series Indenture. Moneys in such Account shall be used to pay Costs of Issuance and for no other purpose. Any excess

remaining upon payment of all Related Costs of Issuance shall be transferred by the Trustee to the Authority or to the Related subaccount in the Acquisition Account.

**Revenue Fund**

The Authority shall pay all Revenues or cause all Revenues to be paid to the Trustee at least once each month. Except as otherwise provided in the Indenture or in a Series Indenture, all Revenues Related to each Series of Bonds shall be deposited by the Trustee in the Related subaccount of the Revenue Fund amounts transferred thereto from the Related subaccount of the Loan Recycling Account, from the Related subaccount of the Class I Debt Service Fund, from the Related subaccount of the Debt Service Reserve Fund, from the Related subaccount of the Class I Special Redemption Account, from the Related subaccount of the Class II Special Redemption Account, from the Related subaccount of the Class III Special Redemption Account, from the Related subaccount of the Class IV Special Redemption Account, from the Related subaccount of Class II Debt Service Fund, from the Related subaccount of the Class III Debt Service Fund, from the Related subaccount of the Class IV Debt Service Fund, from the Related subaccount of the Rebate Fund, and from the Related subaccount of the Excess Earnings Fund, each such transfer being pursuant to the Master Indenture. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by the Indenture.

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

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

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

(a) On each August 1, into the Related accounts of the Rebate Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective accounts, will equal the Rebate Requirement Related to the Tax-exempt Bonds of each respective Series, as determined by the Authority;

(b) On each August 1, into the Related accounts of the Excess Earnings Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective accounts, will equal the amount determined by the Authority to be required to be on deposit therein;

(c) Into the Related subaccount of the Class I Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class I Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Related Class I Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class I Auxiliary Obligations on such Payment Date; provided, however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class I Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class I Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class I Bonds on the next Payment Date;

(d) Into each Unrelated subaccount of the Class I Debt Service Fund, after making any transfer into such subaccount required by the Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (c) above as of such date;

(e) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of the Master Indenture, or (2) the Related subaccount of the Class I Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class I Asset Requirement (if any) of the Related Series of Bonds will be met on such Payment Date following such transfer;

(f) Into each Unrelated subaccount of the Class I Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (e) above as of such date;

(g) Into the Related subaccount of the Class II Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class II Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on Outstanding Related Class II Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class II Auxiliary Obligations on such Payment Date; provided, however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class II Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class II Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class II Bonds on the next following Payment Date;

(h) Into each Unrelated subaccount of the Class II Debt Service Fund, after making any transfer into such subaccount required by the Master Indenture, on a proportionate basis with

all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (g) above as of such date;

(i) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount (including the Related Interest Reserve Account), together with the available amount of any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(j) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by paragraph (i) above as of such date;

(k) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of the Master Indenture, or (2) the Related subaccount of the Class II Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class II Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(l) Into each Unrelated subaccount of the Class II Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (k) above as of such date;

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

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

(o) Into the Related subaccount of the Class III Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class III Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class III Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class III Auxiliary Obligations on such Payment Date; provided, however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class III Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the

payment of a Principal Installment on Related Class III Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class III Bonds on the next following Payment Date;

(p) Into each Unrelated subaccount of the Class III Debt Service Fund, after making any transfer into such subaccount required by the Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (o) above as of such date;

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

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

(s) Into (i) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of the Master Indenture, or (ii) the Related subaccounts of the Redemption Fund, or any combination of (i) and (ii) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, necessary to satisfy the Class III Asset Requirement of the Related Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer;

(t) Into each Unrelated subaccount of the Redemption Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, the additional amount, if any, necessary (after the deposits required by paragraph (s) above for the Related Series of Bonds) to satisfy the Class III Asset Requirement of such Unrelated Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer, which amount shall be allocated to the applicable subaccount of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amount Outstanding of the applicable Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all applicable Class I, Class II, and Class III Bonds Outstanding (for purposes of this paragraph (t), "applicable" means Related to such Unrelated Series); and

(u) Into the Related subaccount of the Class IV Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class IV Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class IV Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class IV Auxiliary Obligations on such Payment Date;

(v) Into each Unrelated subaccount of the Class IV Debt Service Fund, after making the transfer into such subaccount required by the Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccounts resulting from the lack of moneys sufficient to make the deposit required by paragraph (u) above as of such date; and

(w) Upon Authority Request, to the Related subaccount of the Loan Recycling Account, in order to finance or refinance Mortgage Loans (directly or through the acquisition of MBS), to the extent permitted by the applicable Series Indenture.

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

Following such transfers, the balance, if any, in each subaccount of the Revenue Fund, or such lesser amount thereof as shall be requested by the Authority, shall be paid to the Authority for the payment of Program Expenses or for any other purpose free and clear of the lien and pledge of the Indenture upon receipt of an Authority Request made within 30 days of such Payment Date. Any amount in each subaccount of the Revenue Fund not so paid to the Authority shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account as provided in paragraph (s) above or shall be transferred and allocated as set forth in an Authority Request, subject in each case to any limitations or requirements specified in the Related Series Indenture.

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

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

**Class I Debt Service Fund**

Amounts in each subaccount of the Class I Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying the interest and Principal Installments on the Related Class I Bonds as the same shall become due and payable (including accrued interest on any Class I Bonds purchased or redeemed prior to maturity pursuant to the

Indenture), or (ii) on each Payment Date for the purpose of paying amounts due under Related Class I Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class I Bonds purchased in lieu of redemption by Related Class I Sinking Fund Installments.

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

**Debt Service Reserve Fund**

Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund and in the Related subaccount of the Interest Reserve Account therein such amounts, if any, as shall be required by the provisions of the Related Series Indenture, which aggregate amount, together with the available amount of any Qualified Surety Bond or Bonds in the Debt Service Reserve Fund, shall be at least sufficient to equal the Debt Service Reserve Fund Requirement relating to such Series of Bonds, calculated after giving effect to the issuance of such Bonds. Moneys on deposit in the Related subaccount of the Interest Reserve Account shall at all times be deemed to be a part of the Related subaccount of the Debt Service Reserve Fund. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with the Master Indenture.

On or prior to each Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Payment Date and shall determine the amount, if any, which will then be in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued but unrealized interest purchased on Investment Securities) in excess of such Requirement, shall notify the Authority of such excess amount and shall, unless otherwise instructed by an Authority Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund, other than the Related subaccount of the Interest Reserve Account therein, to the Related subaccount of the Revenue Fund; provided, however, that if such excess is attributable to amounts invested in Qualified Mortgage Loan Backed Securities, such excess may, at the option of the Authority, be retained in the Debt Service Reserve Fund.

On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made pursuant to the Indenture, the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund (including from the Interest Reserve Account as provided below) to the specified subaccounts of other Funds or Accounts the following amounts (from any cash, Investment Securities or Qualified Surety Bonds therein), in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(a) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(b) In the event that the amount transferred to a subaccount of the Class I Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any,

and other amounts, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then, if and to the extent necessary from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(c) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund the amount of such insufficiency.

(d) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then, if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund, the amount of such insufficiency.

(e) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (i) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (ii) a failure to meet the Related Class II Asset Requirement.

(f) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (i) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (ii) a failure to meet the Related Class II Asset Requirement.

(g) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no

such transfer may result in (i) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (ii) a failure to meet the Related Class III Asset Requirement.

(h) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to the Indenture is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (i) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (ii) a failure to meet the Related Class III Asset Requirement.

**Class II Debt Service Fund**

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

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

**Class III Debt Service Fund**

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

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

**Class IV Debt Service Fund**

Amounts in each subaccount of the Class IV Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class IV Bonds as the same become due and payable

(including accrued interest on any such Class IV Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying the amounts due under Related Class IV Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installments.

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

**Application of Authority Payment Accounts**

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

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

**Redemption Fund**

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

Except as set forth in the Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class I Special Redemption Account pursuant to the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class I Bonds. Any amounts remaining in such Class I Special Redemption Account after all Class I Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

Except as set forth in the Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class II Special Redemption Account pursuant to the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class II Bonds. Any amounts remaining in such Class II Special Redemption Account after all Class II Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

Except as set forth in the Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class III Special Redemption Account pursuant to the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class III Bonds. Any amounts remaining in such Class III Special Redemption Account after all Class III Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

Except as set forth in the Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class IV Special Redemption Account pursuant to the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class IV Bonds. Any amounts remaining in such Class IV Special Redemption Account after all Class IV Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

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

In addition, notwithstanding anything contained in the Indenture to the contrary, the Authority may, by the delivery of an Authority Request to the Trustee at any time prior to the giving of notice of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be applied as provided in the Indenture. Each such Authority Request shall (i) certify that it is consistent with the most recently filed Related Cash Flow Statement and not prohibited by the Related Series Indenture and (ii) be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

**Excess Earnings Fund**

All amounts in a subaccount of the Excess Earnings Fund, including all investment earnings thereon, shall remain therein until transferred or paid by the Trustee to such other Fund or the United States Department of the Treasury or for such other purpose, as the Authority shall specify, upon receipt by the Trustee of (a) an Authority Request directing the Trustee to so transfer or pay a specified amount, and (b) a written opinion of Bond Counsel to the effect that any such transfer or payment, upon satisfaction of any conditions set forth in such opinion (e.g., forgiveness of indebtedness on all or a portion of the Mortgage Loans or related MBS), would not cause interest on such Bonds to be includable in the gross income of the Owners thereof for federal income tax purposes. Upon receipt of an opinion of Bond Counsel that the balance in a subaccount of the Excess Earnings Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Moneys in a subaccount of the Excess Earnings Fund may be used to purchase Mortgage Loans or MBS in the Related subaccount of the Acquisition Account or the Loan Recycling Account, at a purchase price equal to the unpaid balances of the principal amounts of such Mortgage Loans or MBS plus accrued interest, if any, thereon, and any unamortized premium, and any such Mortgage Loans or MBS so purchased shall be credited to such subaccount of the Excess Earnings Fund. Mortgage Loans or MBS in a subaccount of the Excess Earnings Fund may be exchanged for Mortgage Loans or MBS in the Related subaccount of the Acquisition Account or the Loan Recycling Account having an aggregate principal balance not less than the aggregate principal

balance of such Mortgage Loans or MBS in such subaccount of the Excess Earnings Fund, upon receipt by the Trustee of an Authority Request specifying the Mortgage Loans or MBS to be so exchanged. If, on the final maturity of all of a Series, there is a balance in a subaccount of the Excess Earnings Fund which is allocated to payments related to such Series, and the Trustee has not received directions meeting the requirements of the preceding sentence for the disposition of such balance, the Trustee shall obtain an opinion of Bond Counsel as to the purposes, if any, to which such balance may be applied without adversely affecting the federal income tax status of interest on such Bonds, and shall thereafter dispose of such balance in accordance with such opinion. Records of the calculation of Excess Earnings and the Excess Earnings Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

**Rebate Fund**

To the extent required by the Indenture, all of the amounts on deposit in the Related subaccounts of the Funds and Accounts with respect to Tax-exempt Bonds and all amounts pledged to Debt Service Payments on the Related Series of Tax-exempt Bonds pursuant to the Indenture (i) shall be invested in compliance with the procedures established by the Related Series Indentures and Authority Certificates delivered in connection therewith, and (ii) to the extent required by such Authority Certificates, the investment earnings thereon shall be deposited from time to time into the Related subaccount of the Rebate Fund for timely payment of the Related Rebate Requirement. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of the Indenture to the extent such amounts constitute the Rebate Requirement. The Authority shall verify or cause to be verified at least annually from the date of delivery of each Series of Tax-exempt Bonds that (i) all requirements of this section have been met on a continuing basis, (ii) the proper amounts are deposited into each subaccount of the Rebate Fund, and (iii) the timely payment of the Rebate Requirement from each subaccount of the Rebate Fund has been made. Upon receipt of an opinion of Bond Counsel that the balance in any subaccount of the Rebate Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Records of the determinations made with respect to the above covenant and each subaccount of the Rebate Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

**Investment of Moneys Held by the Trustee**

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

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

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

**Program Covenants**

The Authority covenants in the Indenture that:

(a) It shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Account and any moneys deposited in the Loan Recycling Account for the purposes provided in the Indenture and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of, all terms, covenants and conditions of Mortgage Loans and MBS.

(b) It will comply with the terms and provisions of any applicable Mortgage Purchase Agreements or Servicing Agreements in connection with making, purchasing and servicing Mortgage Loans.

(c) It shall file with the Trustee with each direction to purchase Mortgage Loans, a schedule of Mortgage Loans to be made or purchased by the Trustee identifying the same by reference to the Authority loan number, the party (if applicable) from whom the Mortgage Loan will be purchased, the name of the Borrower, the principal amount due on the Mortgage Loan and the date through which interest has been paid by the Borrower, the interest rate (if any) on the Mortgage Loan and the term of the Mortgage Loan.

(d) It shall maintain an account for each Mortgage Lender having entered into a Mortgage Purchase Agreement with the Authority and shall record therein a description of each Mortgage Loan purchased from such Mortgage Lender.

(e) The terms of each Mortgage Purchase Agreement shall be reasonably designed to assure that each Mortgage Loan financed in whole or in part with the proceeds of Tax-exempt Bonds and purchased by the Authority pursuant thereto or serviced thereunder meets applicable requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

**Enforcement of Mortgage Loans, MBS and Servicing Agreements**

The Authority shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans and MBS consistent with sound lending practices and principles and applicable requirements under the Code, including the prompt collection of all Mortgage Repayments and all other amounts due the Authority thereunder. The Authority shall not without good cause release the obligations of any Borrower under any Mortgage Loan or of the Servicer under the Servicing Agreement and shall not consent or agree to or permit any amendment or modification of the economic terms of any Mortgage Loan except with respect to a Mortgage Loan in default (or which, with the giving of notice or the passage of time or both, would be in default), and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Authority, the Trustee and the Bondowners under or with respect to all Mortgage

Loans and MBS, the obligations evidencing such Mortgage Loans and the agreements securing such Mortgage Loans and MBS and the Servicing Agreement relating thereto; provided, however, that nothing in this section shall be construed to prevent the Authority from: (i) settling a default on any Mortgage Loan on such terms as the Authority shall determine to be in the best interests of the Authority and the Bondowners; (ii) releasing any Borrower, Servicer or any other Person from, or waiving, any of such Person's obligations under the respective Mortgage Loan, any agreement with respect to security therefor or Servicing Agreement to the extent necessary to comply with the provisions of the Indenture or to the extent required by the governmental or private insurer or guarantor, if any, of such Mortgage Loan; or (iii) releasing any mortgagor in connection with an assumption of a Mortgage Loan as permitted in accordance with the requirements of any governmental or private insurer or guarantor.

Whenever it shall be necessary in order to protect and enforce the rights of the Authority under a Mortgage Loan and to protect and enforce the rights and interests of the Trustee and Bondowners under the Indenture, the Authority shall take necessary actions to realize on any applicable mortgage insurance on such Mortgage Loan and to collect, sell or otherwise dispose of the property secured by the Mortgage and, if the Authority deems such to be advisable, shall bid for and purchase the property secured by the Mortgage at any sale thereof and take possession of such property. As an alternative to foreclosure proceedings, the Authority may take such other action as may be appropriate to acquire and take possession of the mortgaged property, including without limitation acceptance of a conveyance in lieu of foreclosure.

The Authority shall request payment of governmental insurance or guaranty benefits in cash and not in debentures of such governmental insurer or guarantor in any case where, under government regulations, it is permitted to request such debentures as payment with respect to a defaulted Mortgage Loan, provided that the Authority may request payment in debentures if it files with the Trustee a Cash Flow Statement. The Authority shall take all necessary actions so as to receive payment from any governmental insurer or guarantor of the maximum amount of insurance or guaranty benefits on the earliest possible date.

**Assignment or Disposition of Mortgage Certificates or Mortgage Loans**

Following the acquisition of a Mortgage Loan by the Trustee, the Authority shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of the Authority with respect to any Mortgage Loan or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, unless the Authority determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds. No Bonds shall be redeemed from the proceeds of the sale of Mortgage Loans, other than Mortgage Loans in default, except in accordance with the optional redemption provisions with respect to such Bonds.

**Cash Flow Statement**

The Authority shall file Cash Flow Statements at such times as may be required pursuant to the provisions of the Indenture. Whenever an event occurring or action to be taken under the Indenture is required to be "consistent with" a Cash Flow Statement, such event or action must be substantially the same as, or within the range of, the events or actions that were projected or assumed by such Cash Flow Statement to occur or be taken. For any Cash Flow Statement delivered after the issuance of the Related Series, the projections or assumptions as to future results of operation of the Program may include the scenarios covered by, and the material assumptions made in connection with, the Cash Flow Statement delivered in connection with the issuance of such Series, if the actual results of operation of the Program have not materially deviated from such projections or assumptions. Projections and assumptions may include, but are not limited to, the following: (a) the range of Mortgage Loan and MBS terms and the terms of purchase

thereof; (b) the maximum assumed delay in receipt of Mortgage Loan payments after scheduled due dates; (c) the range of rates of prepayment of Mortgage Loans and MBS; (d) the extent to which amounts from the Redemption Fund may or may not be transferred to the Program Fund; (e) the range of periods of time that amounts may be on deposit in Program Fund before transfer to the Redemption Fund; (f) the investment return on amounts invested under the Indenture other than in Mortgage Loans and MBS; and (g) the order of redemption of Bonds.

**Creation of Liens**

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

**Events of Default**

Each of the following events is an "Event of Default" under the Indenture:

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

(b) The Authority shall fail to pay any installment of interest on any Class I Bond when and as the same shall become due and payable or any Class I Auxiliary Obligation when and as the same shall become due and payable;

(c) The Authority shall fail to pay any Principal Installment or interest on any Class II Bond when and as the same shall become due and payable or any Class II Auxiliary Obligation when and as the same shall become due and payable;

(d) The Authority shall fail to pay any Principal Installment or interest on any Class III Bond when and as the same shall become due and payable or any Class III Auxiliary Obligation when and as the same shall become due and payable;

(e) The Authority shall fail to pay any Principal Installment or interest on any Class IV Bond when and as the same shall become due and payable or any Class IV Auxiliary Obligation when and as the same shall become due and payable;

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

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

**Remedies**

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described under the caption "Events of Default" above shall, give 30 days' notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority (except as provided in the following paragraph) in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following an Event of Default described in paragraph (f) or (g) under the caption "Events of Default" above (except for a failure which, in the opinion of Bond Counsel, could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt Bonds), the Trustee shall not declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable unless the Trustee is so directed by the written request of Owners of 100% in Aggregate Principal Amount of Outstanding Bonds.

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

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

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be

advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Bondowners and Auxiliary Agreement Providers, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of Bonds not making such request or the interests of the Auxiliary Agreement Providers.

During the continuance of an Event of Default, the Trustee shall apply, or cause the Paying Agent to apply, all moneys and securities held in any Fund or Account (except the Rebate Fund, the Excess Earnings Fund, the Bond Purchase Fund, the Short Term Bond Account and, with respect to any Bonds or Auxiliary Obligations that are not General Obligation Bonds, any Authority Payment Account) (moneys and securities in the Short Term Bond Account and an Authority Payment Account are to be applied only to the payment of interest and Principal Installments of Bonds and payments on Auxiliary Obligations with respect to which such moneys and securities have been pledged), Revenues, payments and receipts and the income therefrom as follows and in the following order:

(a) To the payment of the reasonable and proper Fiduciary Expenses;

(b) To the payment of the interest and Principal Installments and other amounts then due and payable on the Class I Obligations, subject to the provisions of the Master Indenture, as follows:

(i) Unless the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due and payable on the Class I Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments of any Class I Obligations and any other required payment on any Class I Obligations which shall have become due and payable, 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 Class I Obligations due and payable on any date, then to the payment thereof ratably, according to the amounts of Principal Installments due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) If the Aggregate Principal Amount of all of the Class I Obligations shall have become or have been declared due and payable, to the payment of the principal, interest and other amounts then due and unpaid upon the Class I Obligations without preference or priority of principal over interest or other amounts or of interest over principal or other amounts, or of other amounts over principal or interest or of any installment of interest over any other installment of interest, or of any Class I Obligation over any other Class I Obligation, ratably, according to the amounts due respectively for principal and interest or other amounts, to the persons entitled thereto without any discrimination or preference;

(c) To the payment of the Principal Installments of and interest and other amounts then due on the Class II Obligations in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class II Obligations rather than the Class I Obligations.

(d) To the payment of the Principal Installments of and interest and other amounts then due on the Class III Obligations in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class III Obligations rather than the Class I Obligations.

(e) To the payment of the Principal Installments of and interest and other amounts then due on the Class IV Obligations in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class IV Obligations rather than the Class I Obligations.

(f) To the payment of the amounts required for reasonable and necessary Program Expenses.

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

**Majority Owners of the Bonds Control Proceedings**

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

**Individual Owner Action Restricted**

(a) Except as provided in the Master Indenture, no Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless: (i) an Event of Default has occurred under paragraph (a), (b), (c), (d) or (e) under the caption "Events of Default" in this summary, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and (ii) the Owners of at least 25% in Aggregate Principal Amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; and (iii) such Bondowners shall have offered the Trustee indemnity as provided in the Master Indenture; and (iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all Bonds Outstanding.

**General Obligation Bond Default**

If the Authority shall fail to pay interest on any General Obligation Bond when due or shall fail to pay any Principal Installment on any General Obligation Bond when due, provided that such failure shall not constitute an Event of Default under the Master Indenture, such failure shall be a "General Obligation Bond Default" under the Indenture. A General Obligation Bond Default shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge granted to Owners of Bonds under the Indenture.

Upon the occurrence of a General Obligation Bond Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, give 30 days' notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such General Obligation Bonds shall become and be immediately due and payable. In such event, there shall be due and payable on the General Obligation Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

At any time after the Aggregate Principal Amount of the General Obligation Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of the Outstanding General Obligation Bonds, shall) annul such declaration and its consequences with respect to any General Obligation Bonds not then due by their terms if (i) moneys shall have been deposited in the Related Authority Payment Account sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding General Obligation Bonds; and (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee. No such annulment shall extend to or affect any subsequent General Obligation Bond Default or impair any right consequent thereon.

Upon the occurrence and continuance of a General Obligation Bond Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce the rights of General Obligation Bondowners under the Act, the General Obligation Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient and consistent with the limitations specified in subsection (c) below, including but not limited to: (a) suit upon all or any part of the General Obligation Bonds; (b) civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of General Obligation Bonds; and (c) enforcement of any other right of the Owners of the General Obligation Bonds conferred by law or by the Indenture.

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

The rights and remedies of Owners of General Obligation Bonds upon the occurrence of a General Obligation Bond Default shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available to Owners of General Obligation Bonds from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund after provision is made for, and after taking into account the rights of, Owners of Bonds other than General Obligation Bonds and the right of Auxiliary Agreement Providers as provided in the Indenture. The exercise of remedies upon the occurrence of a General Obligation Bond Default shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or Auxiliary Obligation Providers under the Indenture.

**Majority Owners Control Proceedings**

If a General Obligation Bond Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of a majority in Aggregate Principal Amount of General Obligation Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II Obligations, Class III Obligations and Class IV Obligations, of the Class II Obligations over Class III Obligations and Class IV Obligations and of the Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in the Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided further that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

**Individual Owner Action Restricted**

(a) No Owner of any General Obligation Bond shall have any right to institute any suit, action or proceeding in equity or at law for any remedy under the Master Indenture unless: (i) a General Obligation Bond Default has occurred as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and (ii) the Owners of at least 25% in Aggregate Principal Amount of General Obligation Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Master Indenture or to institute such action, suit or proceeding in its own name; and (iii) such Owners shall have offered the Trustee indemnity as provided in the Master Indenture; and (iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of General Obligation Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any

right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all General Obligation Bonds Outstanding.

**Defaults With Respect to Auxiliary Obligations Which Constitute General Obligations**

If the Authority shall fail to pay any amount on any Auxiliary Obligation which constitutes a General Obligation when due, provided that such failure shall not also constitute an Event of Default under the Master Indenture, such failure shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge on the Trust Estate granted to Owners of Bonds or Auxiliary Agreement Providers under the Indenture. The rights and remedies of Auxiliary Agreement Providers having Auxiliary Obligations which constitute General Obligations shall be governed by the Related Auxiliary Agreement; however, such rights and remedies shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available with respect to Related Auxiliary Obligations from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund based on the lien priority of such Auxiliary Obligation after provision is made for, and after taking into account the rights of, Owners of Bonds or Auxiliary Agreement Providers having a prior lien on the Trust Estate as provided in the Indenture and such exercise of remedies upon shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or such Auxiliary Obligations Providers under the Indenture.

**Supplemental Indentures Effective Upon Filing With the Trustee**

For any one or more of the following purposes, and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the Authority in the Indenture other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(b) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) To confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds;

(d) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or

(e) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

**Supplemental Indentures Effective Upon Consent of Trustee**

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority and the Trustee, which, upon the filing with the

Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture, or to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable, provided such action shall not adversely affect the interest of the Owners hereunder and are not contrary to or inconsistent with the Indenture theretofore in effect;

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) To add to the covenants and agreements of the Authority in the Indenture other covenants and agreements thereafter to be observed by the Authority;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, provided that the loss of such right, power or privilege shall not adversely impair the Revenues available to pay the Outstanding Bonds;

(e) To include as pledged revenues or money under, and subject to the provisions of, the Indenture any additional revenues or money legally available therefor;

(f) To provide for additional duties of the Trustee in connection with the Mortgage Loans and the MBS;

(g) To modify any of the provisions of the Indenture in any respect whatever; provided, however, that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the Authority of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution by the Authority of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(h) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939;

(i) To make any change as shall be necessary in order to maintain the rating(s) on any of the Bonds from any Rating Agency; or

(j) To make any other amendment or change that will not materially adversely affect the interest of Owners of Outstanding Bonds.

**Powers of Amendment**

Any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Bondowners, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Master Indenture of the Owners of a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment

shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owners of all such Bonds, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable without the consent of the Owners of all Bonds then Outstanding or shall materially adversely affect the rights of the Owners of Class II Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class II Bonds Outstanding, or shall materially adversely affect the rights of the Owners of Class III Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class III Bonds then Outstanding, or shall materially adversely affect the rights of the Owners of Class IV Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class IV Bonds then Outstanding; or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. If any such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the Authority and the Bondowners.

**Consent of Owners of Bonds**

The Authority at any time may execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of the Master Indenture, to take effect when and as provided in this section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Owners of the Bonds for their consent thereto in form satisfactory to the Bond Registrar, shall be transmitted by the Authority to the registered owners of the Bonds. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consents of Owners of the percentages of Outstanding Bonds specified in the Master Indenture and (B) a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered and filed by the Authority in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies and (ii) a notice shall have been transmitted to Bondowners as provided in this section. Each consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Master Indenture. A certificate or certificates by the Bond Registrar filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Indenture shall be conclusive that the consents have been given by the Bondowners described in such certificate or certificates of the Bond Registrar. Any such consent shall be binding upon the Bondowners giving such consent and, anything in the Master Indenture to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondowner thereof has notice thereof) unless such consent is revoked in writing by the Bondowner thereof by filing with the Bond Registrar, prior to the time when the written statement of the Bond Registrar provided for in this section is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by the Master Indenture. The fact that a consent has not been revoked likewise may be proved by a certificate of the Bond Registrar filed with the Trustee to the effect that no revocation thereof is on file with the Bond Registrar. At any time after the Bondowners of the required percentage of Bonds shall have filed their consent to the Supplemental Indenture, the Bond Registrar shall

make and file with the Authority and the Trustee a written statement that the Bondowners of such required percentage of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this section may be given to Bondowners by the Authority by transmitting such notice to Bondowners (but failure to transmit such notice shall not affect the validity of the Supplemental Indenture when consented to as provided in this section) not more than 90 days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Bond Registrar provided for in this section is filed. The Authority shall file with the Trustee proof of the transmission of such notice. A record, consisting of the papers required or permitted by this section to be filed with the Trustee and the Bond Registrar, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Owners of all Bonds at the expiration of 30 days after the filing with the Trustee of the proof of the transmission of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 30-day period; provided, however, that any Fiduciary and the Authority during such 30-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

**Supplemental Indentures Requiring Consent of Owners of Bonds**

At any time or from time to time, the Authority and the Trustee may execute and deliver a Supplemental Indenture subject to consent by the Bondowners in accordance with and subject to the provisions of the Master Indenture, upon the Trustee's receipt of an opinion of Bond Counsel that such Supplemental Indenture will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

**Modifications by Unanimous Consent**

The terms and provisions of the Indenture or any Supplemental Indenture and the rights and obligations of the Authority and of the Bondowners may be modified or amended in any respect upon the issuance and filing by the Authority of a Supplemental Indenture and the consent of the Bondowners of all Bonds then Outstanding, such consent to be given as provided in the Master Indenture, except that no notice of such consent to Owners of the Bonds shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondowners.

**Defeasance**

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Bondowners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if the Authority shall pay or cause to be paid to all Auxiliary Agreement Providers all amounts due and payable under all Auxiliary Agreements, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Authority to the Bondowners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all

such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of the Authority all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, such Bonds shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Authority to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by the Authority of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Master Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in the Master Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit as provided in the Master Indenture notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Securities the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit, as soon as practicable, a notice to the Bondowners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds, and (iv) except in the event of a full cash defeasance or a current refunding of less than 90 days to maturity or redemption date, the sufficiency of such moneys or Defeasance Securities shall have been confirmed to the Authority in an opinion signed by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Securities, in whole or in part, provided that no such principal of or interest on such Defeasance Securities shall be applied to the payment of the principal or redemption price of or interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance Securities until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal of and interest due on such Defeasance Securities and moneys, if any, deposited with the Trustee at the same time that will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal of or interest on such Defeasance Securities to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision of this section, any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable and, in accordance with an opinion of Bond Counsel filed with the Trustee, permitted by Section 103 of the Code, shall be reinvested in Defeasance Securities

maturing at times and in amounts 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 such redemption date or maturity date thereof, as the case may be. Notwithstanding anything herein to the contrary, no Adjustable Rate Bonds shall be deemed to have been paid and discharged within the meaning of this section unless the Trustee shall have received a written confirmation from each Rating Agency then rating any Bonds confirming that such deposit of moneys or Defeasance Securities with respect to such Adjustable Rate Bonds will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

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## APPENDIX A-2

## CERTAIN DEFINITIONS WITH RESPECT TO ADJUSTABLE RATE BONDS IN THE WEEKLY MODE

"*Alternate Liquidity Facility*" means any Liquidity Facility providing liquidity for the 2025 Series K-2 Bonds delivered by the Authority pursuant to the terms of the 2025IJK Series Indenture, other than the Initial 2025K-2 Liquidity Facility.

"*Bank Bonds*" means any 2025 Series K-2 Bonds registered in the name of the Liquidity Facility Provider, or its nominee or designee, pursuant to the 2025IJK Series Indenture.

"*Bank Rate*" means the interest rate, not to exceed the Maximum Rate, payable on Bank Bonds and determined pursuant to the applicable Liquidity Facility.

"*Daily Mode*" means the Mode during which all or any part of the 2025 Series K-2 Bonds bear interest at the Daily Rate.

"*Daily Rate*" means the per annum interest rate on any 2025 Series K-2 Bond in the Daily Mode determined pursuant to the 2025IJK Series Indenture.

"*Electronic Means*" means telecopy, telegraph, telex, facsimile transmission, e-mail transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

"*Fixed Rate*" means the per annum interest rate on any 2025 Series K-2 Bond in the Fixed Rate Mode determined pursuant to the 2025IJK Series Indenture.

"*Fixed Rate Mode*" means the Mode during which all or a particular portion of the 2025 Series K-2 Bonds bear interest at (a) Fixed Rate(s).

"*Interest Period*" means, for a 2025 Series K-2 Bond in the Weekly Mode, the period from (and including) the Mode Change Date upon which such Bond is changed to the Weekly Mode to (and including) the next Tuesday, and thereafter the period from (and including) each Wednesday to (and including) the next Tuesday.

"*Liquidity Facility*" means the Initial 2025K-2 Liquidity Facility and any Alternate Liquidity Facility.

"*Liquidity Facility Provider*" means, initially, the 2025K-2 Liquidity Facility Provider and its successors and assigns, or the provider of any Alternate Liquidity Facility.

"*Mandatory Purchase Date*" means (i) any Mode Change Date or proposed Mode Change Date and (ii) any other date that 2025 Series K-2 Bonds are subject to mandatory purchase in accordance with the 2025IJK Series Indenture.

"*Mode*" means, as the context may require, the Daily Mode, the Weekly Mode, the Term Rate Mode or the Fixed Rate Mode.

"*Mode Change Date*" means with respect to any 2025 Series K-2 Bond in a particular Mode, the day on which another Mode for such Bond begins.

"*Notice Parties*" means the Authority, the Trustee, the Remarketing Agent, the Paying Agent and the Liquidity Facility Provider.

"*Rate Determination Date*" means the date on which the interest rate on a 2025 Series K-2 Bond shall be determined, which, in the case of the Weekly Mode, shall be no later than the Business Day prior to the Mode Change Date, and thereafter, shall be each Tuesday or, if Tuesday is not a Business Day, the next succeeding day or, if such day is not a Business Day, then the Business Day next preceding such Tuesday.

"*Remarketing Agent*" means BofA Securities, Inc. and its successors and assigns, unless another remarketing agent shall be duly appointed in accordance with the 2025IJK Series Indenture.

"*Remarketing Agreement*" means the Remarketing Agreement relating to the 2025 Series K-2 Bonds between the Authority and the Remarketing Agent, and any amendments or supplements thereto.

"*SIFMA Index*" means the rate equal to an index based upon the weekly interest rate (or other comparable period with respect to 2025 Series K-2 Bonds not in the Weekly Mode) of tax exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established by the Securities Industry and Financial Markets Association. The index, which shall be the "Securities Industry and Financial Markets Association Municipal Swap Index," shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice (or other comparable periods with respect to 2025 Series K-2 Bonds not in the Weekly Mode), the interest on which is tax-exempt. If the Securities Industry and Financial Markets Association Municipal Swap Index shall become unavailable, the index shall be deemed to be the S&P Weekly Index (or other comparable index with respect to 2025 Series K-2 Bonds not in the Weekly Mode), and provided further that if the S&P Weekly Index shall become unavailable, the index shall be a comparable index selected by the Remarketing Agent.

"*SOFR*" means the daily Secured Overnight Financing Rate published by the Federal Reserve Bank of New York on its website at approximately 8:00 a.m. New York time on each Business Day. If the Secured Overnight Financing Rate is no longer published, the rate will be determined by such alternate method as reasonably selected by the Trustee and is then currently being used by the municipal finance industry as a substitute for the Secured Overnight Financing Rate.

"*Term Rate*" means the per annum interest rate for any 2025 Series K-2 Bond in the Term Rate Mode determined pursuant to the 2025IJK Series Indenture.

"*Term Rate Mode*" means the Mode during which all or any part of the 2025 Series K-2 Bonds bear interest at the Term Rate.

"*Weekly Mode*" means the Mode during which all or any part of the 2025 Series K-2 Bonds bear interest at the Weekly Rate.

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## APPENDIX B-1

## THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS

### The Outstanding Bonds

As of May 1, 2025, the following Series of Bonds issued by the Authority were outstanding under the Master Indenture in the Classes as indicated:

| Title of Bonds[1] | Principal Amount Issued | Outstanding Principal Amount (May 1, 2025)[2] |
|---|---|---|
| **2001 Series AA:** | | |
| Taxable Adjustable 2001 Series AA-1, (Class I) | $15,000,000 | $ 3,250,000 |
| Adjustable 2001 Series AA-2, (Class I) | 46,840,000 | 19,795,000 |
| | $61,840,000 | $23,045,000 |
| **2015 Series A:** | | |
| 2015 Series A, (Class I) | $34,420,000 | $2,970,000 |
| 2015 Series A Serials, (Class I) | 65,380,000 | 1,545,000 |
| | $99,800,000 | $4,515,000 |
| **2017 Series AB:** | | |
| 2017 Series A, (Class I) | $52,000,000 | $ 6,872,025 |
| Adjustable 2017 Series B-1, (Class II) | 10,000,000 | 6,760,000 |
| 2017 Series B-2, (Class II) | 10,895,000 | -0- |
| | $72,895,000 | $13,632,025 |
| **2017 Series CDE:** | | |
| 2017 Series C, (Class I) | $50,000,000 | $ 4,225,000 |
| Adjustable 2017 Series E, (Class I) | 25,000,000 | 16,985,000 |
| | $75,000,000 | $21,210,000 |
| **2018 Series AB:** | | |
| 2018 Series A, (Class I) | $21,235,000 | $ -0- |
| 2018 Series B, (Class I) | 36,250,000 | 5,540,000 |
| Adjustable 2018 Series B-2, (Class II) | 30,000,000 | 17,150,000 |
| | $87,485,000 | $22,690,000 |
| **2018 Series C:** | | |
| 2018 Series C, (Class I) | $95,000,000 | $13,820,000 |
| | $95,000,000 | $13,820,000 |
| **2018 Series D:** | | |
| 2018 Series D, (Class I) | $38,000,000 | $10,235,000 |
| | $38,000,000 | $10,235,000 |
| **2019 Series ABC:** | | |
| 2019 Series A, (Class I) | $ 16,035,000 | $ -0- |
| 2019 Series B-1, (Class I) | 30,000,000 | -0- |
| Adjustable 2019 Series B-2, (Class I) | 20,000,000 | 13,000,000 |
| 2019 Series C, (Class I) | 36,935,000 | 14,265,000 |
| | $102,970,000 | $27,265,000 |
| **2019 Series DE:** | | |
| Adjustable 2019 Series D, (Class I) | $ 50,000,000 | $36,750,000 |
| 2019 Series E, (Class I) | 93,240,000 | 12,060,000 |
| | $143,240,000 | $48,810,000 |
| **2019 Series FG:** | | |
| 2019 Series F, (Class I) | $37,000,000 | $11,835,000 |
| 2019 Series G-1, (Class I) | 25,785,000 | 2,015,000 |
| Adjustable 2019 Series G-2, (Class I) | 26,805,000 | 21,000,000 |
| | $89,590,000 | $34,850,000 |

| | | |
|---|---|---|
| **2019 Series HI:** | | |
| 2019 Series H, (Class III) | $36,450,000 | $12,645,000 |
| 2019 Series I-1, (Class I) | 33,450,000 | 1,435,000 |
| Adjustable 2019 Series I-2, (Class I) | 30,000,000 | 26,020,000 |
| | $99,900,000 | $40,100,000 |
| **2019 Series JKL:** | | |
| 2019 Series J, (Class I) | $ 3,695,000 | $ -0- |
| 2019 Series K, (Class I) | 27,505,000 | 11,795,000 |
| 2019 Series L-1, (Class II) | 35,000,000 | -0- |
| Adjustable 2019 Series L-2, (Class I) | 39,165,000 | 30,255,000 |
| 2019 Series L-3, (Class I) | 20,285,000 | 9,065,000 |
| | $125,650,000 | $51,115,000 |
| **2020 Series ABC** | | |
| 2020 Series A, (Class I) | $ 4,975,000 | $ -0- |
| 2020 Series B, (Class I) | 50,025,000 | 23,345,000 |
| 2020 Series C-1, (Class I) | 34,810,000 | 4,350,000 |
| Adjustable 2020 Series C-2, (Class I) | 37,690,000 | 27,890,000 |
| | $127,500,000 | $55,585,000 |
| **2020 Series DEF** | | |
| 2020 Series D, (Class I) | $ 6,315,000 | $ 1,040,000 |
| 2020 Series E, (Class I) | 36,085,000 | 16,980,000 |
| 2020 Series F-1, (Class I) | 28,545,000 | 11,595,000 |
| Adjustable 2020 Series F-2, (Class I) | 40,925,000 | 35,175,000 |
| | $111,870,000 | $64,790,000 |
| **2020 Series GHI** | | |
| 2020 Series G, (Class I) | $ 4,185,000 | $ -0- |
| 2020 Series H, (Class I) | 47,415,000 | 32,935,000 |
| 2020 Series I-1, (Class I) | 35,710,000 | 19,215,000 |
| Adjustable 2020 Series I-2, (Class I) | 41,690,000 | 36,790,000 |
| | $129,000,000 | $88,940,000 |
| **2021 Series ABC** | | |
| 2021 Series A, (Class I) | $ 1,475,000 | $ -0- |
| 2021 Series B, (Class I) | 51,525,000 | 28,450,000 |
| 2021 Series C-1, (Class I) | 28,915,000 | 22,610,000 |
| Adjustable 2021 Series C-2, (Class I) | 43,085,000 | 38,000,000 |
| | $125,000,000 | $89,060,000 |
| **2021 Series DEF** | | |
| 2021 Series D, (Class I) | $ 3,790,000 | $ 800,000 |
| 2021 Series E, (Class I) | 27,210,000 | 21,800,000 |
| 2021 Series F, (Class I) | 54,000,000 | 38,837,042 |
| | $85,000,000 | $61,437,042 |
| **2021 Series GHIJ** | | |
| 2021 Series G, (Class I) | $ 2,770,000 | $ -0- |
| 2021 Series H, (Class I) | 36,230,000 | 28,870,000 |
| Adjustable 2021 Series I, (Class II) | 26,000,000 | 22,800,000 |
| 2021 Series J, (Class I) | 65,000,000 | 51,826,207 |
| | $130,000,000 | $103,496,207 |
| **2021 Series KLM** | | |
| 2021 Series K, (Class I) | $ 1,880,000 | $ -0- |
| 2021 Series L, (Class I) | 53,120,000 | 40,595,000 |
| 2021 Series M-1, (Class I) | 28,000,000 | 22,190,000 |
| Adjustable 2021 Series M-2, (Class I) | 42,000,000 | 40,950,000 |
| | $125,000,000 | $103,735,000 |

| | | |
|---|---|---|
| **2022 Series ABC** | | |
| 2022 Series A (Class I) | $ 4,220,000 | $ 900,000 |
| 2022 Series B (Class I) | 45,780,000 | 33,080,000 |
| 2022 Series C-1 (Class I) | 28,630,000 | 23,805,000 |
| Adjustable 2022 Series C-2 (Class II) | 46,370,000 | 46,370,000 |
| | $125,000,000 | $104,155,000 |
| **2022 Series D** | | |
| 2022 Series D-1 (Class I) | $48,375,000 | $37,525,000 |
| Adjustable 2022 Series D-2 (Class I) | 26,625,000 | 24,765,000 |
| | $75,000,000 | $62,290,000 |
| **2022 Series EFG** | | |
| 2022 Series E (Class I) | $ 4,480,000 | $ 3,205,000 |
| 2022 Series F (Class I) | 35,515,000 | 26,670,000 |
| 2022 Series G-1 (Class I) | 26,465,000 | 24,555,000 |
| Adjustable 2022 Series G-2 (Class II) | 33,530,000 | 31,335,000 |
| | $99,990,000 | $85,765,000 |
| **2022 Series HI** | | |
| 2022 Series H-1 (Class I) | $ 79,485,000 | $ 64,010,000 |
| 2022 Series H-2 (Class III) | 30,230,000 | 26,370,000 |
| 2022 Series H-3 (Class II) | 20,275,000 | 20,275,000 |
| 2022 Series I-1 and I-2 (Class I) | 20,000,000 | 14,115,084 |
| | $149,990,000 | $124,770,084 |
| **2022 Series JKL** | | |
| 2022 Series J (Class I) | $ 4,335,000 | $ 3,205,000 |
| 2022 Series K (Class I) | 35,660,000 | 29,640,000 |
| 2022 Series L-1 (Class I) | 26,465,000 | 18,230,000 |
| 2022 Series L-2 (Class II) | $33,530,000 | 33,530,000 |
| | $99,990,000 | $84,605,000 |
| **2023 Series AB** | | |
| 2023 Series A-1, (Class I) | $ 84,000,000 | $72,630,000 |
| 2023 Series A-2, (Class II) | 21,000,000 | 20,155,000 |
| 2023 Series B-1, (Class I) | 10,000,000 | 7,910,289 |
| 2023 Series B-2, (Class I) | 13,525,000 | 10,698,654 |
| | $128,525,000 | $111,393,943 |
| **2023 Series CDE** | | |
| 2023 Series C, (Class I) | $ 3,290,000 | $ 2,415,000 |
| 2023 Series D, (Class III) | 36,705,000 | 30,595,000 |
| 2023 Series E, (Class I) | 26,085,000 | 22,760,000 |
| Adjustable 2023 Series E-2, (Class II) | 33,910,000 | 32,585,000 |
| | $99,990,000 | $88,355,000 |
| **2023 Series FG** | | |
| 2023 Series F, (Class I) | $139,850,000 | $125,385,000 |
| 2023 Series G, (Class I) | 15,000,000 | 13,244,691 |
| Adjustable 2023 Series F-2, (Class II) | 25,150,000 | 24,400,000 |
| | $180,000,000 | $163,029,691 |
| **2023 Series HIJ** | | |
| 2023 Series H, (Class I) | $ 4,715,000 | $ 3,555,000 |
| 2023 Series I, (Class III) | 45,285,000 | 42,240,000 |
| 2023 Series J, (Class I) | 75,000,000 | 67,055,000 |
| | $125,000,000 | $112,850,000 |
| **2023 Series K** | | |
| 2023 Series K-1, (Class I) | $159,990,000 | $146,630,000 |
| Adjustable 2023 Series K-2, (Class II) | 40,000,000 | 38,870,000 |
| | $199,990,000 | $185,500,000 |

| | | |
|---|---|---|
| **2023 Series LM** | | |
| 2023 Series L, (Class III) | $ 50,000,000 | $ 43,745,000 |
| 2023 Series M-1, (Class I) | 62,500,000 | 54,550,000 |
| Adjustable 2023 Series M-2, (Class II) | 37,500,000 | 37,500,000 |
| | $150,000,000 | $135,795,000 |
| **2023 Series N** | | |
| 2023 Series N-1, (Class I) | $180,000,000 | $157,305,000 |
| Adjustable 2023 Series N-2, (Class I) | 50,000,000 | 50,000,000 |
| | $230,000,000 | $207,305,000 |
| **2023 Series OP** | | |
| 2023 Series O, (Class III) | $ 22,500,000 | $ 20,165,000 |
| 2023 Series P-1, (Class I) | 87,180,000 | 82,635,000 |
| Adjustable 2023 Series P-2, (Class II) | 40,320,000 | 40,320,000 |
| | $150,000,000 | $143,120,000 |
| **2023 Series Q** | | |
| 2023 Series Q-1, (Class I) | $126,960,000 | $117,775,000 |
| Adjustable 2023 Series Q-2, (Class I) | 43,040,000 | 43,040,000 |
| | $170,000,000 | $160,815,000 |
| **2024 Series A** | | |
| 2024 Series A-1, (Class I) | $ 93,750,000 | $ 90,950,000 |
| Adjustable 2024 Series A-2, (Class I) | 31,250,000 | 31,250,000 |
| | $125,000,000 | $122,200,000 |
| **2024 Series B** | | |
| 2024 Series B-1, (Class I) | $127,255,000 | $123,525,000 |
| Adjustable 2024 Series B-2, (Class I) | 42,745,000 | 42,005,000 |
| | $170,000,000 | $165,530,000 |
| **2024 Series C** | | |
| 2024 Series C-1, (Class I) | $145,510,000 | $141,380,000 |
| Adjustable 2024 Series C-2, (Class I) | 54,490,000 | 54,490,000 |
| | $200,000,000 | $195,870,000 |
| **2024 Series D** | | |
| 2024 Series D-1, (Class I) | $116,670,000 | $116,670,000 |
| Adjustable 2024 Series D-2, (Class I) | 33,330,000 | 33,330,000 |
| | $150,000,000 | $150,000,000 |
| **2024 Series E** | | |
| 2024 Series E-1, (Class I) | $150,355,000 | $149,650,000 |
| Adjustable 2024 Series E-2, (Class I) | 49,645,000 | 49,645,000 |
| | $200,000,000 | $199,295,000 |
| **2024 Series F** | | |
| 2024 Series F-1, (Class I) | $116,035,000 | $115,585,000 |
| Adjustable 2024 Series F-2, (Class I) | 33,965,000 | 33,965,000 |
| | $150,000,000 | $149,550,000 |
| **2024 Series G** | | |
| 2024 Series G-1, (Class I) | $163,000,000 | $163,000,000 |
| Adjustable 2024 Series G-2, (Class I) | 37,000,000 | 37,000,000 |
| | $200,000,000 | $200,000,000 |
| **2025 Series ABC** | | |
| 2025 Series A, (Class I) | $ 4,500,000 | $ 4,500,000 |
| 2025 Series B, (Class I) | 40,500,000 | 40,500,000 |
| 2025 Series C-1, (Class I) | 64,645,000 | 64,645,000 |
| Adjustable 2025 Series C-2, (Class II) | 40,355,000 | 40,355,000 |
| | $150,000,000 | $150,000,000 |
| **2025 Series D** | | |
| 2025 Series D-1, (Class I) | $160,000,000 | $160,000,000 |
| Adjustable 2025 Series D-2, (Class I) | 40,000,000 | 40,000,000 |
| | $200,000,000 | $200,000,000 |

| | | |
|---|---|---|
| Total Class I Bonds: | $4,661,960,000 | $3,592,358,992 |
| Total Class II Bonds: | 437,940,000 | $412,405,000 |
| Total Class III Bonds: | 221,170,000 | 175,760,000 |
| | $5,321,070,000 | $4,180,523,992 |

(1) All of the Bonds indicated as "Adjustable" in this table are in a weekly interest rate mode, with the interest rate adjusted by the related Remarketing Agent each week as described in the Official Statement. See "PART I—REMARKETING AGENTS."

(2) This table does not include the Offered Bonds being offered by this Official Statement or the 2025 Series EFG Bonds or the 2025 Series H Bonds which were issued subsequent to May 1, 2025.

**The Outstanding Auxiliary Obligations**

The Auxiliary Obligations under the Master Indenture are the obligations of the Authority for the payment of money under Liquidity Facilities and Interest Rate Contracts.

***Outstanding Liquidity Facilities***. The Authority has previously entered into standby bond purchase agreements (constituting Liquidity Facilities under the Master Indenture) among the Authority, the Paying Agent and a Liquidity Facility Provider. The following table describes the Liquidity Facilities in effect as of May 1, 2025 with respect to the outstanding Series of Adjustable Rate Bonds under the Master Indenture, the name of the respective Liquidity Facility Providers, the expiration dates (unless earlier terminated or, in some cases as permitted, extended), the Bank Bond rates, terms for accelerated payments and lien levels. As of May 1, 2025, the aggregate principal amount of Bonds for which the Federal Home Loan Bank of Topeka provided Liquidity Facilities was $510,245,000 (42.60%), for which Royal Bank of Canada provided Liquidity Facilities was $376,380,000 (31.42%), for which Bank of America, National Association provided Liquidity Facilities was $119,240,000 (9.96%), for which TD Bank, N.A. provided Liquidity Facilities was $116,940,000 (9.76%) and for which Barclays Bank PLC provided Liquidity Facilities was $74,950,000 (6.26%). These percentages indicate the percentages of the total principal amount of Outstanding Adjustable Rate Bonds supported by Liquidity Facilities as of May 1, 2025 and do not reflect the Initial 2025K-2 Liquidity Facility or the Liquidity Facility the Authority entered into subsequent to May 1, 2025 with respect to the 2025 Series G-2 Bonds and the 2025 Series H-2 Bonds.

The Authority's obligations to repay the Liquidity Facility Providers prior to stated maturity or any mandatory sinking fund redemption date for any principal amounts due on any Bank Bonds outstanding under a Liquidity Facility constitute in some cases Class III Obligations under the Master Indenture and also constitute general obligations of the Authority and, for other Series, constitute Class I Obligations under the Master Indenture. See "PART II—CERTAIN BONDOWNERS' RISKS—Risks Related to the Liquidity Facility Providers and the Liquidity Facilities."

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## Outstanding Liquidity Facilities and Providers[1]

| Series of Adjustable Rate Bonds | Related Liquidity Facility Provider | Outstanding Balance[1] | Expiration Date of Liquidity Facility | Bank Bond Rate/ Accelerated Payments/Lien |
|---|---|---|---|---|
| 2001AA-1 | Bank of America, N.A. | 3,250,000 | 10/29/2027 | (2) |
| 2001AA-2 | Royal Bank of Canada | 19,795,000 | 06/02/2026 | (3) |
| 2017B-1 | Royal Bank of Canada | 6,760,000 | 08/01/2029 | (11) |
| 2017E | Bank of America, N.A. | 16,985,000 | 10/29/2027 | (2) |
| 2018B-2 | Federal Home Loan Bank of Topeka | 17,150,000 | 05/09/2027 | (4) |
| 2019B-2 | Barclays Bank PLC | 13,000,000 | 12/12/2025 | (5) |
| 2019D | Royal Bank of Canada | 36,750,000 | 03/23/2029 | (3) |
| 2019G-2 | Barclays Bank PLC | 21,000,000 | 06/09/2026 | (5) |
| 2019I-2 | Federal Home Loan Bank of Topeka | 26,020,000 | 07/22/2025 | (8) |
| 2019L-2 | Bank of America, N.A. | 30,255,000 | 10/31/2025 | (6) |
| 2020C-2 | Royal Bank of Canada | 27,890,000 | 02/19/2030 | (3) |
| 2020F-2 | Federal Home Loan Bank of Topeka | 35,175,000 | 07/28/2026 | (7) |
| 2020I-2 | Federal Home Loan Bank of Topeka | 36,790,000 | 10/27/2026 | (7) |
| 2021C-2 | Federal Home Loan Bank of Topeka | 38,000,000 | 01/19/2027 | (7) |
| 2021I | Royal Bank of Canada | 22,800,000 | 08/19/2026 | (3) |
| 2021M-2 | Barclays Bank PLC | 40,950,000 | 11/17/2026 | (5) |
| 2022C-2 | Federal Home Loan Bank of Topeka | 46,370,000 | 02/22/2028 | (8) |
| 2022D-2 | Federal Home Loan Bank of Topeka | 24,765,000 | 05/23/2025 | (8) |
| 2022G-2 | Royal Bank of Canada | 31,335,000 | 08/23/2027 | (9) |
| 2022H-3 | Federal Home Loan Bank of Topeka | 20,275,000 | 11/28/2025 | (10) |
| 2022L-2 | Federal Home Loan Bank of Topeka | 33,530,000 | 12/15/2025 | (10) |
| 2023A-2 | Royal Bank of Canada | 20,155,000 | 03/08/2028 | (9) |
| 2023E-2 | Federal Home Loan Bank of Topeka | 32,585,000 | 03/20/2026 | (10) |
| 2023F-2 | Royal Bank of Canada | 24,400,000 | 05/10/2028 | (9) |
| 2023K-2 | Federal Home Loan Bank of Topeka | 38,870,000 | 07/20/2026 | (10) |
| 2023M-2 | Bank of America, N.A. | 37,500,000 | 09/04/2026 | (6) |
| 2023N-2 | Royal Bank of Canada | 50,000,000 | 09/20/2028 | (9) |
| 2023P-2 | Federal Home Loan Bank of Topeka | 40,320,000 | 11/06/2026 | (10) |
| 2023Q-2 | Federal Home Loan Bank of Topeka | 43,040,000 | 12/11/2026 | (10) |
| 2024A-2 | Bank of America, N.A. | 31,250,000 | 02/12/2027 | (6) |
| 2024B-2 | Royal Bank of Canada | 42,005,000 | 04/17/2029 | (9) |
| 2024C-2 | Royal Bank of Canada | 54,490,000 | 06/18/2029 | (11) |
| 2024D-2 | TD Bank, N.A. | 33,330,000 | 07/16/2027 | (12) |
| 2024E-2 | TD Bank, N.A. | 49,645,000 | 09/10/2027 | (12) |
| 2024F-2 | TD Bank, N.A. | 33,965,000 | 10/15/2029 | (12) |
| 2024G-2 | Federal Home Loan Bank of Topeka | 37,000,000 | 11/12/2027 | (10) |
| 2025C-2 | Federal Home Loan Bank of Topeka | 40,355,000 | 02/18/2028 | (10) |
| 2025D-2 | Royal Bank of Canada | 40,000,000 | 02/26/2030 | (11) |

(1) As of May 1, 2025. This table does not include the Initial 2025K-2 Liquidity Facility. This table does not include the Standby Bond Purchase Agreement entered into between the Authority, Bank of America, N.A. and the Paying Agent in connection with the issuance of the 2025 Series G-2 Bonds and the Standby Bond Purchase Agreement entered into between the Authority, Federal Home Loan Bank of Topeka and the Paying Agent in connection with the issuance of the 2025 Series H-2 Bonds, which Standby Bond Purchase Agreements were entered into subsequent to May 1, 2025.

(2) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate," which equals the highest of (i) the Federal Funds Rate plus 2.00%, (ii) the Prime Rate plus 1.00% and (iii) 7.5%; then the Base Rate plus 1.00%. (b) Term out provisions: repayments due 366 days following the purchase date and the first business day of every sixth month thereafter to the fifth anniversary of the purchase date with the first such payment being equal to

2/10ths of the outstanding principal amount of such Bank Bonds and each subsequent being equal to 1/10th of such amount. Class III lien/General Obligation.

(3) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.1148%; then for the period 367 days and higher following the purchase date, the "Base Rate," which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 10.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(4) (a) Bank Rate: SOFR Rate plus 2.115%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date.

(5) (a) Bank Rate: for the first 60 days following the purchase date, the "Base Rate," which equals the highest of (i) the Fed Funds Rate plus 2.50%, (ii) the Prime Rate plus 2.50%, (iii) 150% of the yield on actively traded 30-year United State Treasury Bonds and (iv) 8.00%; then for the period 61-120 days following the purchase date, the Base Rate plus 1.00%; then the Base Rate plus 2.00%.
(b) Term out provisions: repayments due 366 days following purchase date and each six-month anniversary thereafter in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(6) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate," which equals the highest of (1) the Federal Funds Rate plus 2.00%, (ii) the Prime Rate plus 1.00%, and (iii) 7.5%; then the Base Rate plus 1.00%.
(b) Term out provisions: repayments due 366 days following the purchase date and the first business day of every sixth month thereafter to the fifth anniversary of the purchase date with the first such payment being equal to 2/10ths of the outstanding principal amount of such Bank Bonds and each subsequent being equal to 1/10th of such amount. Class III lien/General Obligation.

(7) (a) Bank Rate: SOFR Rate plus 2.115%
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(8) (a) Bank Rate: SOFR Rate plus 2.50%
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(9) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.00%; then for the period 367 days and higher following the purchase date, the "Base Rate," which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 10.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(10) (a) Bank Rate: SOFR Rate plus 2.75%
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(11) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.00%; then for the period 367 days and higher following the purchase date, the "Base Rate," which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 8.50%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(12) (a) Bank Rate: for the first 366 days following the purchase date the "Base Rate," which equals the highest of (i) the Federal Funds Rate plus 2.0%, (ii) the Prime Rate plus 1.0% and (iii) 7.0%; then for the period 367 days and higher following the purchase date, the "Base Rate" plus 1.0%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following the earlier of (a) the purchase date or (b) the last day of the Purchase Period and thereafter quarterly on each such date in equal installments to the earlier of (a) the third anniversary of such purchase date or (b) the third anniversary of the last day of the Purchase Period. Class III lien/General Obligation.

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***Outstanding Interest Rate Contracts***. In connection with the issuance of certain outstanding Adjustable Rate Bonds under the Master Indenture, the Authority has previously entered into the Interest Rate Contracts listed in the following table. As of May 1, 2025, the total notional balance of Interest Rate Contracts provided by Royal Bank of Canada was $300,645,000 (27.60%); by Bank of America was $281,005,000 (25.80%); by Bank of New York Mellon Corporation was $237,180,000 (21.77%); by Wells Fargo Bank, N.A. was $178,355,000 (16.37%); by TD Bank, N.A. was $70,965,000 (6.51%) and by Barclays Bank PLC was $21,245,000 (1.95%). These percentages indicate the percentages of the total notional balance of Outstanding Interest Rate Contracts entered by the Authority under the Master Indenture and outstanding as of May 1, 2025 and do not reflect the Interest Rate Contract expected to be entered into with respect to the 2025 Series K-2 Bonds, the Interest Rate Contract the Authority entered into with Wells Fargo Bank, N.A. in connection with the issuance of the 2025 Series G-2 Bonds or the Interest Rate Contract the Authority entered into with Bank of America, N.A. in connection with the issuance of the 2025 Series H-2 Bonds, both of which were entered into subsequent to May 1, 2025.

| Outstanding Interest Rate Contracts[(1)] | Current Notional Balance | Counterparty |
|---|---|---|
| **2001 Series AA Interest Rate Contracts**: | | |
| Adjustable 2001 Series AA-2 (Class I) | $19,795,000 | Barclays Bank PLC |
| **2017 Series E Interest Rate Contracts:** | | |
| Adjustable 2017 Series E (Class I) | $16,005,000 | Wells Fargo Bank, N.A. |
| **2018 Series AB Interest Rate Contracts:** | | |
| Adjustable 2018 Series B-2 (Class II) | $16,450,000 | Royal Bank of Canada |
| **2019 Series AB Interest Rate Contracts:** | | |
| Adjustable 2019 Series B-2 (Class I) | $6,500,000 | Bank of New York Mellon Corporation |
| Adjustable 2019 Series B-2 (Class I) | $6,500,000 | Bank of New York Mellon Corporation |
| **2019 Series D Interest Rate Contracts:** | | |
| Adjustable 2019 Series D (Class I) | $29,780,000 | Wells Fargo Bank, N.A. |
| **2019 Series FG Interest Rate Contracts:** | | |
| Adjustable 2019 Series G-2 (Class I) | $21,000,000 | Bank of New York Mellon Corporation |
| **2019 Series HI Interest Rate Contracts:** | | |
| Adjustable 2019 Series I-2 (Class I) | $26,020,000 | Royal Bank of Canada |
| **2019 Series JKL Interest Rate Contracts**: | | |
| Adjustable 2019 Series L-2 (Class I) | $30,255,000 | Royal Bank of Canada |
| **2020 Series ABC Interest Rate Contracts:** | | |
| Adjustable 2020 Series C-2 (Class I) | $27,890,000 | Wells Fargo Bank, N.A. |
| **2020 Series DEF Interest Rate Contracts:** | | |
| Adjustable 2020 Series F-2 (Class I) | $36,425,000 | Royal Bank of Canada |
| **2020 Series GHI Interest Rate Contracts:** | | |
| Adjustable 2020 Series I-2 (Class I) | $36,790,000 | Wells Fargo Bank, N,.A. |
| **2021 Series ABC Interest Rate Contracts:** | | |
| Adjustable 2021 Series C-2 (Class I) | $38,000,000 | Royal Bank of Canada |
| **2021 Series KLM Interest Rate Contracts:** | | |
| Adjustable 2021 Series M-2 (Class I) | $21,000,000 | Bank of New York Mellon Corporation |
| **2022 Series ABC Interest Rate Contracts:** | | |
| Adjustable 2022 Series C-2 (Class II) | $30,140,000 | Bank of America, N.A. |

| | | |
|---|---|---|
| **2022 Series D Interest Rate Contracts:** | | |
| Adjustable 2022 Series D-2 (Class I) | $24,765,000 | Bank of New York Mellon Corporation |
| **2022 Series EFG Interest Rate Contracts:** | | |
| Adjustable 2022 Series G-2 (Class II) | $31,335,000 | Bank of New York Mellon Corporation |
| **2022 Series HI Interest Rate Contracts** | | |
| Adjustable 2022 Series H-3 (Class II) | $19,355,000 | Royal Bank of Canada |
| **2022 Series JKL Interest Rate Contracts** | | |
| Adjustable 2022 Series L-2 (Class I) | $31,945,000 | Royal Bank of Canada |
| **2023 Series AB Interest Rate Contracts:** | | |
| Adjustable 2023 Series A-2 (Class II) | $20,155,000 | Bank of America |
| **2023 Series CDE Interest Rate Contracts:** | | |
| Adjustable 2023 Series E-2 (Class II) | $32,585,000 | Bank of America |
| **2023 Series FG Interest Rate Contracts:** | | |
| Adjustable 2023 Series F-2 (Class II) | $24,400,000 | Bank of New York Mellon Corporation |
| **2023 Series K Interest Rate Contracts:** | | |
| Adjustable 2023 Series K-2 (Class II) | $38,255,000 | Royal Bank of Canada |
| **2023 Series LM Interest Rate Contracts:** | | |
| Adjustable 2023 Series M-2 (Class II) | $36,255,000 | Bank of New York Mellon Corporation |
| **2023 Series N Interest Rate Contracts:** | | |
| Adjustable 2023 Series N-2 (Class I) | $50,000,000 | Wells Fargo Bank, N.A. |
| **2023 Series OP Interest Rate Contracts:** | | |
| Adjustable 2023 Series P-2 (Class II) | $40,320,000 | Bank of America |
| **2023 Series Q Interest Rate Contracts:** | | |
| Adjustable 2023 Series Q-2 (Class I) | $42,360,000 | Bank of America |
| **2024 Series A Interest Rate Contracts:** | | |
| Adjustable 2024 Series A-2 (Class I) | $31,250,000 | Bank of America |
| **2024 Series B Interest Rate Contracts:** | | |
| Adjustable 2024 Series B-2 (Class I) | $42,005,000 | Royal Bank of Canada |
| **2024 Series C Interest Rate Contracts:** | | |
| Adjustable 2024 Series C-2 (Class I) | $54,490,000 | Bank of New York Mellon Corporation |
| **2024 Series D Interest Rate Contracts:** | | |
| Adjustable 2024 Series D-2 (Class I) | $33,330,000 | Bank of America |
| **2024 Series E Interest Rate Contracts:** | | |
| Adjustable 2024 Series E-2 (Class I) | $49,190,000 | Bank of America |
| **2024 Series F Interest Rate Contracts:** | | |
| Adjustable 2024 Series F-2 (Class I) | $33,965,000 | TD Bank, N.A. |
| **2024 Series G Interest Rate Contracts:** | | |
| Adjustable 2024 Series G-2 (Class I) | $37,000,000 | TD Bank, N.A. |
| **2025 Series C Interest Rate Contracts:** | | |
| Adjustable 2025 Series C-2 (Class II) | $40,355,000 | Bank of New York Mellon Corporation |

| | | |
|---|---|---|
| **2024 Series D Interest Rate Contracts:** | | |
| Adjustable 2024 Series D-2 (Class I) | $40,000,000 | Bank of New York Mellon Corporation |
| | | |
| **Surplus Assets Interest Rate Contracts:** | | |
| Single Family SFMB Surplus Assets | $ 8,415,000 | Bank of New York Mellon Corporation |
| Single Family SFMB Surplus Assets | $18,710,000 | Royal Bank of Canada |
| Single Family SFMB Surplus Assets | $14,700,000 | Wells Fargo Bank, N.A. |
| | | |
| Total Outstanding Class I | $ 754,315,000 | |
| Total Outstanding Class II | 361,550,000 | |
| Surplus Assets Interest Rate Contracts | 41,825,000 | |
| Total | $1,157,690,000 | |

(1) As of May 1, 2025. This table does not include the 2025K-2 Interest Rate Contract. This table does not include the Interest Rate Contract entered into between the Authority and Wells Fargo Bank, N.A.in connection with the issuance of the 2025 Series G-2 Bonds or the Interest Rate Contract entered into between the Authority and Bank of America, N.A. in connection with the issuance of the 2025 Series H-2 Bonds, which were entered into subsequent to May 1, 2025.

Any payments or receipts received by the Authority under the Interest Rate Contracts are pledged under the Master Indenture as Revenues, as described in "PART II—SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS—Revenues" and "—Interest Rate Contracts." The Authority's obligation to make regular interest payments to the counterparties under the Interest Rate Contracts indicated as Class I, constitutes a Class I Obligation under the Master Indenture, secured on parity with the lien on the Trust Estate of the other Class I Obligations. The Authority's obligation to make regular interest payments to the counterparties under the Interest Rate Contracts indicated as Class II, constitutes a Class II Obligation under the Master Indenture, secured on parity with the lien on the Trust Estate of the other Class II Obligations. The Authority's obligation to make termination payments under each of the Interest Rate Contracts in the event of early termination is a general obligation of the Authority and is not secured by the Trust Estate under the Master Indenture. See "PART II—CERTAIN BONDOWNERS' RISKS—Risks Related to Interest Rate Contracts" and "PART II—COLORADO HOUSING AND FINANCE AUTHORITY—Obligations of the Authority."

**See footnote (8) to the audited 2024 financial statements of the Authority attached as Appendix G hereto for a description of the key terms of the outstanding Interest Rate Contracts, including the fair values and the counterparty credit ratings, as of December 31, 2024.**

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## APPENDIX B-2

## THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES[1]

As of May 1, 2025, First Mortgage Loans with an outstanding aggregate principal balance of $264,179,711 and Second Mortgage Loans with an outstanding aggregate principal balance of $148,794,318 had been acquired in the Acquisition Account as a part of the Trust Estate. The following information with respect to such outstanding Mortgage Loans has been provided as of the dates so indicated:

| INFORMATION CONCERNING THE MORTGAGE LOANS AS OF MAY 1, 2025 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Series of Bonds** | **Outstanding Aggregate Principal Balance of First Mortgage Loans** | **Aggregate Number of Outstanding First Mortgage Loans** | **Average Principal Balance per First Mortgage Loan** | **Average Principal Coupon of First Mortgage Loans** | **Weighted Average Maturity of First Mortgage Loans** | **Outstanding Aggregate Principal Balance of Second Mortgage Loans** | **Aggregate Number of Outstanding Second Mortgage Loans** | **Average Principal Balance per Second Mortgage Loan** |
| 2001AA | $4,932,445 | 96 | $51,380 | 5.62% | 12.61 | $2,272,144 | 634 | $3,584 |
| 2014A | $7,650,530 | 167 | $45,812 | 5.08% | 11.07 | - | - | - |
| 2015A | $11,884,219 | 228 | $52,124 | 5.15% | 11.29 | - | - | - |
| 2015B | $3,023,772 | 71 | $42,588 | 5.09% | 9.52 | - | - | - |
| 2017B | $3,960,709 | 62 | $63,882 | 4.79% | 13.19 | - | - | - |
| 2017E | $6,284,868 | 97 | $64,792 | 5.60% | 13.90 | $581,746 | 48 | $12,120 |
| 2018AB | $4,943,354 | 88 | $56,174 | 4.59% | 13.84 | $2,351,590 | 232 | $10,136 |
| 2018C | $0 | 0 | - | - | - | $646,005 | 50 | $12,920 |
| 2018D | $11,505,476 | 269 | $42,771 | 5.65% | 12.91 | $201,699 | 70 | $2,881 |
| 2019ABC | $0 | 0 | - | - | - | $1,571,812 | 128 | $12,280 |
| 2019DE | $14,194,162 | 266 | $53,362 | 4.54% | 13.32 | $1,592,188 | 171 | $9,311 |
| 2019FG | $0 | 0 | - | - | - | $1,169,115 | 94 | $12,437 |
| 2019HI | $0 | 0 | - | - | - | $2,634,905 | 220 | $11,977 |
| 2019JKL | $4,679,909 | 71 | $65,914 | 5.63% | 13.26 | $2,367,321 | 320 | $7,398 |
| 2020ABC | $0 | 0 | - | - | - | $2,020,145 | 185 | $10,920 |
| 2020DEF | $3,038,142 | 71 | $42,791 | 5.27% | 10.74 | $2,836,152 | 236 | $12,018 |
| 2020GHI | $0 | 0 | - | - | - | $5,143,387 | 407 | $12,637 |
| 2021ABC | $0 | 0 | - | - | - | $5,574,778 | 461 | $12,093 |
| 2021DEF | $0 | 0 | - | - | - | $1,620,410 | 137 | $11,828 |
| 2021GHIJ | $0 | 0 | - | - | - | $2,396,903 | 204 | $11,750 |
| 2021KLM | $0 | 0 | - | - | - | $5,205,624 | 410 | $12,697 |
| 2022ABC | $0 | 0 | - | - | - | $3,784,209 | 311 | $12,168 |
| 2022EFG | $4,613,469 | 18 | $256,304 | 2.94% | 27.79 | $3,630,246 | 294 | $12,348 |
| 2022HI | $0 | 0 | - | - | - | $5,538,764 | 450 | $12,308 |
| 2022JKL | $0 | 0 | - | - | - | $3,689,361 | 292 | $12,635 |
| 2023AB | $0 | 0 | - | - | - | $4,559,318 | 307 | $14,851 |
| 2023CDE | $0 | 0 | - | - | - | $3,757,822 | 296 | $12,695 |
| 2023FG | $0 | 0 | - | - | - | $6,715,958 | 447 | $15,025 |
| 2023HIJ | $0 | 0 | - | - | - | $4,495,567 | 337 | $13,340 |
| 2023K | $22,800,392 | 82 | $278,054 | 4.01% | 27.07 | $6,560,156 | 424 | $15,472 |
| 2023LM | $0 | 0 | - | - | - | $5,552,059 | 409 | $13,575 |
| 2023N | $22,841,904 | 91 | $251,010 | 4.15% | 27.47 | $7,494,019 | 484 | $15,484 |
| 2023OP | $0 | 0 | - | - | - | $5,635,944 | 415 | $13,581 |
| 2023Q | $19,090,016 | 81 | $235,679 | 4.61% | 26.18 | $5,127,867 | 397 | $12,917 |
| 2024A | $0 | 0 | - | - | - | $4,928,076 | 340 | $14,494 |
| 2024B | $18,632,842 | 68 | $274,012 | 7.05% | 37.40 | $5,543,441 | 346 | $16,022 |
| 2024C | $24,144,925 | 106 | $227,782 | 6.96% | 36.62 | $4,863,471 | 320 | $15,198 |
| 2024D | $0 | 0 | - | - | - | $4,737,078 | 303 | $15,634 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2024E | $19,873,222 | 83 | $239,436 | 7.06% | 37.20 | $5,484,544 | 351 | $15,625 |
| 2024F | $0 | 0 | - | - | - | $4,998,290 | 303 | $16,496 |
| 2024G | $19,949,310 | 80 | $249,366 | 7.04% | 34.57 | $5,451,752 | 410 | $13,297 |
| 2025C | $4,951,912 | 17 | $291,289 | 4.28% | 29.13 | $5,527,994 | 416 | $13,288 |
| 2025D | $19,991,384 | 81 | $246,807 | 6.95% | 36.16 | - | - | - |
| SFMB Surplus Assets | $11,192,749 | 224 | $49,968 | 4.18% | 13.47 | $532,456 | 202 | $2,636 |
| Total | $264,179,711 | 2,417 | $109,301 | 5.55% | 25.93 | $148,794,318 | 11,861 | $12,545 |

(1) Pursuant to Section 5.5(a) of the Master Indenture, the Authority established a surplus assets subaccount in the Acquisition Account of the Program Fund to which excess cash in the Trust Estate was deposited and used to acquire existing mortgage loans. Such existing mortgage loans are currently held in the surplus assets subaccount as Mortgage Loans under the Master Indenture. Mortgage Repayments and Prepayments relating to such Mortgage Loans held in the surplus assets subaccount may be applied to redeem Bonds of any Series under the Master Indenture as directed by the Authority, except to the extent limited by the provisions of the Series Indenture related to a particular Series. These Mortgage Loans are reflected in the line for "Surplus Assets" in the following tables under this caption.

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| MORTGAGE INSURANCE INFORMATION FOR MORTGAGE LOANS AS OF MAY 1, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| **Series of Bonds** | **Conventional Insured** | **FHA** | **VA** | **RHS** | **Conventional Uninsured** | **CHFA 2nds Uninsured** |
| 2001AA | 0.0% | 48.3% | 1.0% | 3.5% | 15.8% | 31.5% |
| 2014A | 0.0% | 77.2% | 1.5% | 1.7% | 19.6% | 0.0% |
| 2015A | 0.0% | 77.2% | 7.3% | 4.6% | 10.8% | 0.0% |
| 2015B | 0.0% | 83.7% | 2.5% | 4.6% | 9.3% | 0.0% |
| 2017B | 1.7% | 51.3% | 0.0% | 3.0% | 43.9% | 0.0% |
| 2017E | 2.0% | 59.1% | 5.9% | 7.5% | 17.0% | 8.5% |
| 2018AB | 1.9% | 35.2% | 0.0% | 1.6% | 29.0% | 32.2% |
| 2018C | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2018D | 3.6% | 73.9% | 2.5% | 7.6% | 10.6% | 1.7% |
| 2019ABC | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2019DE | 0.4% | 53.0% | 2.7% | 3.8% | 29.9% | 10.1% |
| 2019FG | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2019HI | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2019JKL | 0.0% | 48.2% | 2.1% | 0.5% | 15.6% | 33.6% |
| 2020ABC | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2020DEF | 0.0% | 40.2% | 4.6% | 1.8% | 5.1% | 48.3% |
| 2020GHI | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2021ABC | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2021DEF | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2021GHIJ | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2021KLM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2022ABC | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2022EFG | 0.0% | 0.0% | 0.0% | 0.0% | 56.0% | 44.0% |
| 2022HI | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2022JKL | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023AB | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023CDE | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023FG | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023HIJ | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023K | 0.0% | 77.7% | 0.0% | 0.0% | 0.0% | 22.3% |
| 2023LM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023N | 0.0% | 67.7% | 7.6% | 0.0% | 0.0% | 24.7% |
| 2023OP | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2023Q | 0.0% | 75.8% | 3.0% | 0.0% | 0.0% | 21.2% |
| 2024A | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2024B | 0.0% | 76.3% | 0.8% | 0.0% | 0.0% | 22.9% |
| 2024C | 0.0% | 83.2% | 0.0% | 0.0% | 0.0% | 16.8% |
| 2024D | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2024E | 0.0% | 78.4% | 0.0% | 0.0% | 0.0% | 21.6% |
| 2024F | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| 2024G | 0.0% | 76.9% | 1.4% | 0.2% | 0.0% | 21.5% |
| 2025ABC | 0.0% | 0.0% | 0.0% | 0.0% | 47.3% | 52.7% |
| 2025D | 0.0% | 98.0% | 2.0% | 0.0% | 0.0% | 0.0% |
| SFMB Surplus Assets | 0.0% | 60.4% | 3.9% | 4.1% | 27.2% | 4.5% |
| INDENTURE TOTAL | 0.2% | 54.0% | 1.7% | 1.0% | 7.1% | 36.0% |

| INFORMATION CONCERNING PROPERTY TYPES FOR FIRST MORTGAGE LOANS AS OF MAY 1, 2025 | | | |
|---|---|---|---|
| **Series of Bonds** | **Single Family Detached** | **Condo/Townhome** | **Other** |
| 2001AA | 76.0% | 14.7% | 9.3% |
| 2014A | 62.6% | 28.0% | 9.3% |
| 2015A | 70.6% | 20.6% | 8.8% |
| 2015B | 73.6% | 22.5% | 3.9% |
| 2017B | 69.1% | 24.9% | 6.0% |
| 2017E | 76.1% | 13.8% | 10.1% |
| 2018AB | 75.3% | 11.1% | 13.6% |
| 2018C | 84.9% | 11.6% | 3.6% |
| 2018D | 78.4% | 12.8% | 8.8% |
| 2019ABC | 76.1% | 15.5% | 8.5% |
| 2019DE | 76.1% | 17.1% | 6.8% |
| 2019FG | 77.0% | 19.2% | 3.8% |
| 2019HI | 74.1% | 18.6% | 7.3% |
| 2019JKL | 67.2% | 17.0% | 15.8% |
| 2020ABC | 66.8% | 22.0% | 11.3% |
| 2020DEF | 72.9% | 23.3% | 3.8% |
| 2020GHI | 79.9% | 16.2% | 3.9% |
| 2021ABC | 74.2% | 20.3% | 5.6% |
| 2021DEF | 69.1% | 24.6% | 6.3% |
| 2021GHIJ | 73.1% | 20.0% | 6.9% |
| 2021KLM | 67.6% | 26.7% | 5.6% |
| 2022ABC | 71.6% | 20.4% | 8.0% |
| 2022EFG | 35.9% | 60.4% | 3.7% |
| 2022HI | 59.8% | 29.0% | 11.2% |
| 2022JKL | 66.4% | 26.0% | 7.7% |
| 2023AB | 78.5% | 15.5% | 6.0% |
| 2023CDE | 66.9% | 25.0% | 8.1% |
| 2023FG | 77.4% | 14.3% | 8.4% |
| 2023HIJ | 71.2% | 22.7% | 6.1% |
| 2023K | 77.5% | 13.6% | 8.8% |
| 2023LM | 72.9% | 21.8% | 5.2% |
| 2023N | 76.6% | 12.1% | 11.3% |
| 2023OP | 73.7% | 19.7% | 6.6% |
| 2023Q | 81.0% | 12.5% | 6.5% |
| 2024A | 75.3% | 18.3% | 6.4% |
| 2024B | 86.0% | 6.8% | 7.2% |
| 2024C | 79.6% | 14.8% | 5.6% |
| 2024D | 79.7% | 13.9% | 6.4% |
| 2024E | 83.7% | 9.9% | 6.4% |
| 2024F | 83.5% | 12.5% | 4.0% |
| 2024G | 81.0% | 14.7% | 4.3% |
| 2025ABC | 50.5% | 45.3% | 4.3% |
| 2025D | 76.8% | 19.6% | 3.7% |
| SFMB Surplus Assets | 72.6% | 20.5% | 6.9% |
| INDENTURE TOTAL | 75.4% | 17.4% | 7.2% |

# FORECLOSURE AND DELINQUENCY STATISTICS
# FOR FIRST & SECOND MORTGAGES[(1)(2)]
# AS OF MAY 1, 2025

| Series of Bonds | Number of Loans Financed | Number of Loans Prepaid in Full | Number of Loans Foreclosed to Date | Number of Real Estate Owned Loans | Number of Mortgage Loans Outstanding | Value of Mortgage Loans Outstanding | Number of Delinquent Loans 60 to 119 Days | Value of Delinquent Loans 60 to 119 Days | Percentage of Total Loans Delinquent 60 to 119 Days* | Number of Delinquent Loans 120+ Days | Value of Delinquent Loans 120+ Days | Percentage of Total Loans Delinquent 120+ Days* | Number of Loans in Foreclosure | Value of Loans in Foreclosure | Percentage of Loans in Foreclosure* | Percentage of All Loans Delinquent and Foreclosure* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2001AA | 16,903 | 12,292 | 751 | 3129 | 730 | $7,204,589 | 5 | $333,707 | 4.63% | 11 | $27,367 | 0.38% | 0 | $0 | 0.00% | 5.01% |
| 2014A | 701 | 382 | 27 | 125 | 167 | $7,650,530 | 2 | $114,156 | 1.49% | 1 | $35,056 | 0.46% | 1 | $36,707 | 0.48% | 2.43% |
| 2015A | 1,143 | 658 | 41 | 216 | 228 | $11,884,219 | 5 | $382,082 | 3.22% | 2 | $130,084 | 1.09% | 1 | $52,135 | 0.44% | 4.75% |
| 2015B | 279 | 189 | 14 | 5 | 71 | $3,023,772 | 2 | $99,289 | 3.28% | 0 | $0 | 0.00% | 1 | $57,218 | 1.89% | 5.18% |
| 2017B | 161 | 93 | 2 | 4 | 62 | $3,960,709 | 1 | $71,872 | 1.81% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 1.81% |
| 2017E | 490 | 321 | 24 | 0 | 145 | $6,866,614 | 1 | $55,025 | 0.80% | 4 | $216,221 | 3.15% | 0 | $0 | 0.00% | 3.95% |
| 2018AB | 979 | 604 | 44 | 11 | 320 | $7,294,945 | 3 | $185,121 | 2.54% | 2 | $129,470 | 1.77% | 0 | $0 | 0.00% | 4.31% |
| 2018C | 179 | 120 | 9 | 0 | 50 | $646,005 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2018D | 735 | 359 | 18 | 19 | 339 | $11,707,175 | 7 | $472,620 | 4.04% | 7 | $113,617 | 0.97% | 1 | $15,489 | 0.13% | 5.14% |
| 2019ABC | 407 | 263 | 16 | 0 | 128 | $1,571,812 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2019DE | 1,021 | 550 | 27 | 7 | 437 | $15,786,350 | 6 | $338,973 | 2.15% | 3 | $253,239 | 1.60% | 0 | $0 | 0.00% | 3.75% |
| 2019FG | 320 | 220 | 6 | 0 | 94 | $1,169,115 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2019HI | 673 | 436 | 17 | 0 | 220 | $2,634,905 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2019JKL | 839 | 422 | 21 | 5 | 391 | $7,047,230 | 3 | $220,786 | 3.13% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 3.13% |
| 2020ABC | 443 | 242 | 16 | 0 | 185 | $2,020,145 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2020DEF | 629 | 304 | 17 | 1 | 307 | $5,874,294 | 2 | $165,897 | 2.82% | 1 | $14,299 | 0.24% | 0 | $0 | 0.00% | 3.07% |
| 2020GHI | 554 | 141 | 6 | 0 | 407 | $5,143,387 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2021ABC | 602 | 128 | 13 | 0 | 461 | $5,574,778 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2021DEF | 170 | 30 | 2 | 1 | 137 | $1,620,410 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2021GHIJ | 234 | 29 | 1 | 0 | 204 | $2,396,903 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2021KLM | 454 | 39 | 5 | 0 | 410 | $5,205,624 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2022ABC | 356 | 39 | 6 | 0 | 311 | $3,784,209 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2022EFG | 344 | 27 | 5 | 0 | 312 | $8,243,715 | 1 | $312,039 | 3.79% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 3.79% |
| 2022HI | 487 | 27 | 10 | 0 | 450 | $5,538,764 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2022JKL | 315 | 20 | 3 | 0 | 292 | $3,689,361 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023AB | 338 | 27 | 4 | 0 | 307 | $4,559,318 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023CDE | 316 | 18 | 2 | 0 | 296 | $3,757,822 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023FG | 466 | 16 | 3 | 0 | 447 | $6,715,958 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023HIJ | 348 | 10 | 1 | 0 | 337 | $4,495,567 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023K | 527 | 20 | 1 | 0 | 506 | $29,360,548 | 6 | $1,506,900 | 5.13% | 11 | $2,661,598 | 9.07% | 1 | $160,640 | 0.55% | 14.74% |
| 2023LM | 424 | 14 | 1 | 0 | 409 | $5,552,059 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023N | 604 | 26 | 1 | 2 | 575 | $30,335,923 | 14 | $3,621,682 | 11.94% | 8 | $2,225,841 | 7.34% | 2 | $556,898 | 1.84% | 21.11% |
| 2023OP | 424 | 9 | 0 | 0 | 415 | $5,635,944 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2023Q | 518 | 33 | 2 | 5 | 478 | $24,217,883 | 9 | $2,378,843 | 9.82% | 8 | $1,997,629 | 8.25% | 2 | $387,103 | 1.60% | 19.67% |
| 2024A | 345 | 5 | 0 | 0 | 340 | $4,928,076 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2024B | 422 | 7 | 1 | 0 | 414 | $24,176,283 | 9 | $2,713,223 | 11.22% | 7 | $2,135,959 | 8.83% | 1 | $251,898 | 1.04% | 21.10% |
| 2024C | 439 | 11 | 0 | 2 | 426 | $29,008,396 | 11 | $2,486,767 | 8.57% | 14 | $3,787,956 | 13.06% | 1 | $152,931 | 0.53% | 22.16% |
| 2024D | 304 | 1 | 0 | 0 | 303 | $4,737,078 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2024E | 436 | 2 | 0 | 0 | 434 | $25,357,766 | 10 | $2,560,602 | 10.10% | 13 | $2,970,097 | 11.71% | 3 | $671,946 | 2.65% | 24.46% |
| 2024F | 303 | 0 | 0 | 0 | 303 | $4,998,290 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2024G | 493 | 3 | 0 | 0 | 490 | $25,401,061 | 20 | $4,765,106 | 18.76% | 11 | $2,822,298 | 11.11% | 0 | $0 | 0.00% | 29.87% |
| 2025ABC | 433 | 0 | 0 | 0 | 433 | $10,479,906 | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 0.00% |
| 2025D | 81 | 0 | 0 | 0 | 81 | $19,991,384 | 6 | $1,927,732 | 9.64% | 0 | $0 | 0.00% | 0 | $0 | 0.00% | 9.64% |
| Surplus Assets | 4,238 | 2,918 | 273 | 621 | 426 | $11,725,205 | 9 | $259,443 | 2.21% | 14 | $207,841 | 1.77% | 1 | $19,407 | 0.17% | 4.15% |
| **Total** | 40,877 | 21,055 | 1,390 | 4,153 | 14,278 | $412,974,029 | 132 | $24,971,865 | 6.05% | 117 | $19,728,573 | 4.78% | 15 | $2,362,372 | 0.57% | 11.40% |

(1) Estimated
(2) Loans reported as delinquent include loans in COVID-19 forbearance.
*Percentages are based on outstanding principal amount of the Mortgage Loans.

**Insurance Limitations and Requirements**

The Series Indentures each require that related Mortgage Loans (a) be insured by the FHA, (b) be guaranteed by the VA or the Rural Housing Service (a rural development program of the U.S. Department of Agriculture), (c) be PMI Mortgage Loans (as hereinafter defined), (d) be a Mortgage Loan which is not insured or guaranteed but has an original principal amount equal to or less than 80% of the appraised value (at the time of origination of such Mortgage Loan) or purchase price, whichever is less, of the property securing such Mortgage Loan (an "**Uninsured Mortgage Loan**") or (e) otherwise be a type of Mortgage Loan the purchase of which (as confirmed by each Rating Agency) will not adversely affect such Rating Agency's then current rating on any Bonds. PMI Mortgage Loans must be insured by a private insurance company approved by the Authority, qualified to transact business in the State and to provide insurance on mortgages purchased by the Federal Home Loan Mortgage Corporation or Fannie Mae and rated by the agency then rating the Bonds at least as high as "AA-" or "Aa3" (a "**Private Insurer**"), and such insurance must remain in force unless required to be terminated pursuant to federal law. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM" and **Appendix I**—"INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE." The Series Indentures each provide that percentages of each type of Mortgage Loan in the aggregate Mortgage Loan portfolio shall be percentages that each Rating Agency confirms will not adversely affect the then current rating on any Bonds (including the Offered Bonds).

"PMI Mortgage Loans" are Mortgage Loans which are insured by a Private Insurer. Such insurance must remain in force except as otherwise required by the Homeowners Protection Act of 1998, as amended, 12 U.S.C. 4901 et seq., or other applicable laws, or at the option of the Authority, the private mortgage insurance (if borrower paid) may be cancelable after the outstanding principal balance of the Mortgage Loan is reduced to 80% or less of the appraised value (based on the original appraisal) of the property securing the Mortgage Loan.

As of May 1, 2025, the following Private Insurers were providing insurance for the respective percentages of PMI Mortgage Loans (based on outstanding principal balance):

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**PMI Mortgage Loans and Private Insurers**

| Name of Private Insurer[(1)] | Percentage of Trust Estate[(2)] | Percentage of PMI Mortgage Loans[(3)] |
|---|---|---|
| Genworth | 0.12% | 58.33% |
| Mortgage Guaranty Ins. | 0.03% | 16.77% |
| PMI Mortgage Insurance | 0.03% | 16.71% |
| United Guaranty Corp. | 0.02% | 8.18% |
| **Total** | **0.20%** | **100.00%** |

(1) The ratings of several of these Private Insurers have been downgraded since the time that the PMI Mortgage Loans in the Trust Estate which are insured by such Private Insurers were originated, and such ratings are in most cases below the rating levels which were required for such Private Insurers by the applicable series indentures at the time of such originations.

(2) Aggregate principal balance of Mortgage Loans in the Trust Estate as of May 1, 2025 was approximately $412.98 million.

(3) Aggregate principal balance of Mortgage Loans as of May 1, 2025 that were PMI Mortgage Loans was approximately $834,190.

**(4)** Percentages are rounded to the nearest hundredth.

As of May 1, 2025 0.20% of the $412.98 million aggregate principal amount of Mortgage Loans in the Trust Estate were PMI Mortgage Loans. See "PART II—THE SINGLE FAMILY MORTGAGE LOAN PROGRAM—Background" for a description of the Authority's current financing activities with respect to its single family mortgage loan program.

**Investments**

In connection with the issuance of Bonds outstanding under the Master Indenture, the Authority has invested certain amounts in Series subaccounts of Funds related to such Bonds in investment agreements with the investment providers and amounts invested, and at the rates, as of May 1, 2025 as set forth in the following table.

**Outstanding Investment Agreements**
**(as of May 1, 2025)**

| Series | Funds Invested (in related Series subaccounts) | Investment Providers[(1)] | Amounts Invested | Rates | Termination Dates |
|---|---|---|---|---|---|
| 2001AA | Revenue Fund, Debt Service Reserve Fund | Massachusetts Mutual Life Insurance Company | $11,617,684 | 5.30%/ Compounded SOFR[(2)] | 3/1/2033 |

(1) Neither the Authority nor the Underwriters make any representation about the financial condition or creditworthiness of the Investment Providers. Prospective investors are urged to make their own investigation into the financial condition and creditworthiness of the Investment Providers.

(2) As defined in the Investment Agreement referenced above.

In accordance with the terms of the Master Indenture, the Authority has also instructed and will instruct the Trustee from time to time to invest certain moneys held by the Trustee in Funds and Accounts relating to Bonds in permitted Investment Securities under the Indenture other than investment agreements, including mortgage-backed securities. Information about such investments is available in filings on EMMA that the Authority is obligated to make on an annual basis in connection with certain outstanding Bonds under the Master Indenture. See "PART I—AVAILABILITY OF CONTINUING INFORMATION."

The assumptions made by the Authority as to projected cash flows under the Indenture include the assumption that the investment rates provided by the Investment Agreements shown on the preceding table will be available as described. However, in the event that any Investment Agreement shown on the preceding table is terminated as a result of default by the respective investment provider or for any other reason, it may not be possible to reinvest such proceeds and deposits at these assumed rates and the cash flows may be adversely affected.

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## APPENDIX C

## SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL 2025K-2 LIQUIDITY FACILITY

*The Initial 2025K-2 Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. This summary does not purport to be a complete description or restatement of the material provisions of the Initial 2025K-2 Liquidity Facility. Investors should obtain and review copies of the Initial 2025K-2 Liquidity Facility in order to understand all of the terms of such document. Capitalized terms used under the heading "INITIAL 2025K-2 LIQUIDITY FACILITY" and not otherwise defined herein shall have the meaning set forth in the Initial 2025K-2 Liquidity Facility.*

The Authority, Zions Bancorporation, National Association, and Bank of America, N.A. (the "2025K-2 Liquidity Facility Provider") intend to enter into a Standby Bond Purchase Agreement dated as of July 1, 2025 (the "2025K-2 Liquidity Facility") with respect to the 2025 Series K-2 Bonds. The following summary is qualified in its entirety by reference to the Initial 2025K-2 Liquidity Facility, copies of which are available from the Trustee.

Subject to the terms of the Initial 2025K-2 Liquidity Facility, the 2025K-2 Liquidity Facility Provider agrees, at the request from time to time of the Paying Agent, on behalf of the Authority, to purchase, during the "Purchase Period" (as such term is defined below), any 2025 Series K-2 Bonds tendered for purchase in accordance with the 2025IJK Series Indenture with respect to which the Trustee does not, on the date on such tendered 2025 Series K-2 Bonds are required to be purchased pursuant to the 2024A Series Indenture, have sufficient funds from the remarketing of such tendered 2025 Series K-2 Bonds to make such purchase.

The "Available Commitment" under the Initial 2025K-2 Liquidity Facility is an aggregate amount of $49,854,720, consisting of (i) an amount of $47,425,000 as the "Available Principal Commitment for the 2025 Series K-2 Bonds and (ii) an amount of $2,429,720 as the "Available Interest Commitment" for the 2025 Series K-2 Bonds.

The Available Principal Commitment for the 2025 Series K-2 Bonds is subject to (i) reduction by the principal amount of 2025 Series K-2 Bonds which are redeemed, repaid or otherwise paid pursuant to the Indenture, (ii) reduction by the principal amount of any 2025 Series K-2 Bonds purchased by the 2025K-2 Liquidity Facility Provider and (iii) increase by the principal amount of any 2025 Series K-2 Bonds purchased by the 2025K-2 Liquidity Facility Provider that are resold by the Remarketing Agent. The Available Interest Commitment for the 2025 Series K-2 Bonds is calculated based on a 187 days of interest at an assumed rate of ten (10%) percent per annum and 365 days, and is subject to (i) reduction by an amount that bears the same proportion to such amount as the amount of a reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction and (ii) increase by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; provided that after giving effect to such adjustment the Available Interest Commitment shall never exceed the initial Available Interest Commitment.

The obligation of the 2025 K-2 Liquidity Facility Provider to purchase any 2025 Series K-2 Bond which is an Eligible Bond on any Business Day (each, a "Purchase Date") is subject to (i) receipt by the 2025K-2 Liquidity Facility Provider of a Notice of Bank Purchase and (ii) the condition that no Immediate Termination or Suspension Event (as defined below) shall have occurred and be continuing.

The term "Purchase Period" for the Initial 2025 K-2 Liquidity Facility means the period from the July 16, 2025 to and including the earliest of the close of business on (a) July 14, 2028 (b) the date on which no Eligible Bonds and no Bank Bonds are Outstanding, (c) the date on which the Authority voluntarily terminates the Initial 2025 K-2 Liquidity Facility with thirty days' written notice in accordance with the terms of the Initial 2025K-2 Liquidity Facility, and (d) the date on which the Available Commitment and the 2025 K-2 Liquidity Facility Provider's obligation to purchase Eligible Bonds has been terminated in its entirety pursuant to certain sections of the Initial 2025 K-2 Liquidity Facility.

The Initial 2025 K-2 Liquidity Facility includes typical affirmative and negative covenants of the Authority, including, among others, a requirement of notice of certain events, provision of audited financial statements and a prohibition on amendments to certain documents without the prior written consent of the 2025 K-2 Liquidity Facility Provider. These covenants are for the benefit of the 2025 K-2 Liquidity Facility Provider and not for the benefit of bondholders, which will have no rights with respect to them.

EVENTS OF DEFAULT

**Events of Default Not Resulting in Immediate Termination or Immediate Suspension**

(a) Payments. The Authority shall fail to pay when due any amounts owed by the Authority to the 2025 K-2 Liquidity Facility Provider pursuant to the Initial 2025 K-2 Liquidity Facility or the Fee Letter (including, but not limited to, any failure to make any timely payment of principal of Bank Bonds which amounts have become immediately due and payable as a result of the occurrence of an Event of Default and the resulting acceleration of Bank Bonds pursuant to the Initial 2025 K-2 Liquidity Facility).

(b) Representations. Any representation or warranty made by or on behalf of the Authority in the Initial 2025 K-2 Liquidity Facility or in any other Related Document or in any certificate or statement delivered under the Initial 2025 K-2 Liquidity Facility or thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) Covenants. The Authority shall fail to perform certain affirmative covenants in the Initial 2025 K-2 Liquidity Facility or the Authority shall fail to comply with the negative covenants in the Initial 2025K-2 Liquidity Facility.

(d) Other Covenants. The Authority shall fail to perform or observe any term, covenant or agreement (other than ones described in any other paragraph of this section) contained in the Initial 2025 K-2 Liquidity Facility or in any other Related Document on its part to be performed or observed which failure continues for thirty (30) days or more.

(e) Default. Default by the Authority in the payment of any amount due in respect of any Debt owed to the 2025 K-2 Liquidity Facility Provider or default by the Authority in the payment of any amount due in respect of any other Debt in an aggregate amount in excess of five million Dollars ($5,000,000), as and when the same shall become due, or default under any mortgage, agreement or other instrument under or pursuant to which such Debt is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto, or the occurrence of any default, event of default or similar event by the Authority under any such mortgage, agreement or other instrument which results in such Debt becoming, or being capable of becoming, immediately due and payable (or, with respect to any Derivative Agreement, which default, event of default or similar event results in such Derivative Agreement being terminated early or being capable of being terminated early).

(f) Invalidity. Any provision of the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds or any other Related Document shall cease to be valid and binding, or the Authority shall contest any such

provision, or the Authority or any agent or trustee on behalf of the Authority shall deny that it has any further liability under any provision of the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds or any other Related Document.

(g) Other Documents. The occurrence of any default under any Related Document other than the Initial 2025K-2 Liquidity Facility.

(h) Downgrade. The unenhanced rating of the 2025 Series K-2 Bonds or any other obligations secured by a lien on the Trust Estate on a parity with the 2025 Series K-2 Bonds shall be (i) withdrawn, suspended or reduced below "A3" by Moody's or (ii) withdrawn, suspended or reduced below "A-" by S&P.

(i) Financial Emergency. There shall be appointed or designated with respect to the Authority, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.

(j) Material Debt Payment Default. Any failure, wholly or partially, to make timely any payment or repayments required to be made on any Material Debt (including, but not limited to, any failure to make any timely payment of the principal of or redemption premium, if any, or interest on any bonds purchased by a Person providing a letter of credit, reimbursement agreement, liquidity facility or similar instrument pursuant to a liquidity drawing thereunder, which principal or redemption premium, if any, or interest has been accelerated and is immediately due and payable after the occurrence of an event of default under any such agreement).

(k) Dissolution. Dissolution or termination of the existence of the Authority.

(l) Writ or Warrant of Attachment. Entry or filing of any writ or warrant of attachment or any similar process in an amount in excess of five million Dollars ($5,000,000) against the Authority or against any of its property and failure of the Authority to pay or satisfy such judgment within sixty (60) days of the entry or filing of such writ or warrant of attachment.

**Events of Default Resulting in Immediate Termination**

(a) Payment Default. Any failure, in whole or in part, (i) to make timely any payment of principal of, interest on or redemption premium, if any, required to be made on the 2025 Series K-2 Bonds (including Bank Bonds) (other than failure to pay principal of or redemption premium, if any, or interest on Bank Bonds which has become immediately due and payable as a result of the occurrence of an Event of Default and the resulting acceleration of Bank Bonds pursuant to the Initial 2025K-2 Liquidity Facility, or (ii) to make timely payments or repayments of any Parity Debt Payment (other than failure to pay the principal, redemption premium, or interest of any bonds purchased by a Person providing a letter of credit, reimbursement agreement, liquidity facility or similar instrument pursuant to a liquidity drawing thereunder, which payment or repayment has been accelerated and is immediately due and payable after the occurrence of an event of default under any such agreement).

(b) Invalidity. (i) Any provision of the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds, the Master Indenture or the Series Indenture related to (A) the payment of the principal or interest on any Bank Bonds or (B) the pledge of the Trust Estate securing the payment of the principal or interest on any Bank Bonds shall at any time for any reason cease to be valid and binding on, or fully enforceable against, the Authority as determined by any court or Governmental Authority having appropriate jurisdiction in a final nonappealable finding, ruling, order or judgment, or (ii)(a) the validity or enforceability of any

provision of the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds, the Master Indenture or the Series Indenture related to (A) the payment of the principal or interest on any Bank Bonds or (B) the pledge of the Trust Estate securing the payment of the principal or interest on any Bank Bonds shall be contested by an Authorized Officer of the Authority or (b) any Governmental Authority having appropriate jurisdiction over the Authority shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree pursuant to which any provision of the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds, the Master Indenture or the Series Indenture related to (A) the payment of the principal or interest on any Bank Bonds or (B) the pledge of the Trust Estate securing the payment of the principal or interest on any Bank Bonds shall be null and void, invalid or unenforceable, or (c) an Authorized Officer of the Authority shall repudiate in writing any or further liability or obligation under the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds, the Master Indenture or the Series Indenture.

(c) Downgrade. The unenhanced rating of the 2025 Series K-2 Bonds or any other obligations secured by a lien on the Trust Estate on a parity with the 2025 Series K-2 Bonds shall be (i) withdrawn or suspended for credit related reasons or reduced below "Baa3" by Moody's and (ii) withdrawn or suspended for credit related reasons or reduced below "BBB " by S&P.

(d) Judgments. Entry or filing of any final and non appealable judgment or of any similar process in an amount in excess of five million Dollars ($5,000,000) against the Authority or against any of its property and failure of the Authority to pay or satisfy such judgment within sixty (60) days of the entry or filing of such judgment.

(e) Event of Insolvency. An Event of Insolvency other than the type set forth in subsection (b) under the heading "Events of Default Resulting in Immediate Suspension" shall occur with respect to the Authority.

(f) Existence. The dissolution or termination of the existence of the Authority if a Governmental Authority does not, contemporaneously with the dissolution or termination of the existence of the Authority, assume the obligations of the Authority under Initial 2025K-2 Liquidity Facility and the other Related Documents (other than the Remarketing Agreement and the Fee Letter) to which it is a party to pay principal of or interest on the Bonds (including Bank Bonds) and each Parity Debt Payment from the pledge of and lien on the Trust Estate.

**Events of Default Resulting in Immediate Suspension**

(a) Initiation of Legal Proceedings. The Authority shall initiate any legal proceedings to seek an adjudication that the Initial 2025K-2 Liquidity Facility, the 2025 Series K-2 Bonds, the Master Indenture or the Series Indenture or its obligation to pay or repay any Parity Debt Payment is not valid or not binding on the Authority.

(b) Involuntary Event of Insolvency. An involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such case or other proceeding continues until the earlier to occur of (A) the Authority consents in writing to such action or (B) the sixtieth (60th) day following the commencement of such case or other proceeding, and such case or other proceeding has not yet been dismissed prior to such date.

**Remedies**

(a) Notice of Termination. Upon the occurrence of an event described above under the heading "Events of Default Not Resulting in Immediate Termination or Immediate Suspension" (a "Notice Termination Event"), the 2025K-2 Liquidity Facility Provider may give written notice (a "Notice of Termination Date") of such Event of Default to the Authority and the Trustee stating that the Initial 2025K-2 Liquidity Facility shall terminate thirty (30) days from the date of receipt of such notice by the Trustee (a "Notice Termination Date") and directing that the 2025 Series K-2 Bonds be called for Default Tender. The Available Commitment, the Purchase Period and the obligation of the Bank to purchase Eligible Bonds shall terminate thirty (30) days after such notice is received by the Trustee, and on such date the Available Commitment shall terminate and the Bank shall be under no obligation hereunder to purchase Eligible Bonds.

(b) Immediate Termination of Bank Obligation to Purchase. Upon the occurrence of any event described above under the heading "Events of Default Resulting in Immediate Termination," (an "Immediate Termination Event") the Purchase Period and the obligation of the 2025K-2 Liquidity Facility Provider to purchase Eligible Bonds shall immediately terminate without notice or demand, and thereafter the 2025 K-2 Liquidity Facility Provider shall be under no obligation to purchase Eligible Bonds. Upon such Immediate Termination Event, the 2025K-2 Liquidity Facility Provider shall promptly give written notice of the same to the Trustee and the Authority; provided, that the 2025 K-2 Liquidity Facility Provider shall incur no liability of any kind by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Available Commitment and the 2025 K-2 Liquidity Facility Provider's obligation to purchase Eligible Bonds pursuant to the Initial 2025 K-2 Liquidity Facility. The Trustee shall immediately notify all Bondholders of the termination of the Available Commitment and the obligation of the 2025K-2 Liquidity Facility Provider to purchase the Eligible Bonds.

(c) Suspension of Bank Obligation to Purchase. Upon the occurrence of any event described above under the heading "Events of Default Resulting in Immediate Suspension" (a "Suspension Event"), the obligation of the 2025K-2 Liquidity Facility Provider to purchase Eligible Bonds shall immediately be suspended without notice or demand and thereafter the 2025K-2 Liquidity Facility Provider shall be under no obligation to purchase Eligible Bonds until the Available Commitment is reinstated as described in this section. Promptly upon the 2025K-2 Liquidity Facility Provider's obtaining knowledge of any such Suspension Event, the 2025K-2 Liquidity Facility Provider shall give written notice of the same to the Authority and the Trustee of such suspension; provided, however, that the 2025K-2 Liquidity Facility Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the 2025K-2 Liquidity Facility Provider's obligations under the Initial 2025K-2 Liquidity Facility. In the event such Suspension Event is cured prior to becoming an Immediate Termination Event, the 2025K-2 Liquidity Facility Provider's obligations shall be automatically reinstated and the terms of the Initial 2025K-2 Liquidity Facility will continue in full force and effect (unless the Initial 2025K-2 Liquidity Facility shall otherwise have terminated or have been suspended by its terms or in accordance with this section).

(d) Authority Obligations and Bank Rights Following Event of Default. Upon the occurrence of any Event of Default, (i) all amounts owed to the 2025K-2 Liquidity Facility Provider under the Initial 2025K-2 Liquidity Facility, under the Fee Letter and under any Bank Bonds shall bear interest at the Default Rate until paid, (ii) the 2025K-2 Liquidity Facility Provider may by written notice to the Authority declare all amounts owed to the 2025K-2 Liquidity Facility Provider hereunder, under the Fee Letter and with respect to the Bank Bonds to be immediately due and payable whereupon such amounts shall be immediately due and payable (provided, that the obligations of the Authority hereunder and under the Bank Bonds shall be and become automatically and immediately due and payable without such notice upon the occurrence of an Event of Insolvency) and (iii) the 2025K-2 Liquidity Facility Provider shall have all remedies provided at

law or equity, including, without limitation, the right of set off and specific performance. The 2025K-2 Liquidity Facility Provider shall promptly provide written notice to the Trustee and the Authority of any acceleration of the amounts due hereunder.

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**APPENDIX D**

**CERTAIN INFORMATION CONCERNING**
**THE 2025K-2 LIQUIDITY FACILITY PROVIDER**

*The following information has been obtained from the 2025K-2 Liquidity Facility Provider for inclusion herein. Such information is not guaranteed as to accuracy or completeness by the Authority or the Underwriters and is not to be construed as a representation by the Authority or the Underwriters. Neither the Authority nor the Underwriters have verified this information, and no representation is made by them as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information after its date or the date hereof.*

Bank of America, N.A. (the *"Bank")* is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. The Bank is a wholly-owned indirect subsidiary of Bank of America Corporation (the *"Corporation") and* is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of March 31, 2025, the Bank had consolidated assets of $2.615 trillion, consolidated deposits of $2.072 trillion and stockholder's equity of $246.924 billion based on regulatory accounting principles.

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2024, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the "SEC").

The SEC maintains a website at www.sec.gov which contains the filings that the Corporation files with the SEC such as reports, proxy statements and other documentation. The reports, proxy statements and other information the Corporation files with the SEC are also available at its website, www.bankofamerica.com.

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

The Bank will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case, as filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended), and the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporation
Office of the Corporate Secretary/Shareholder Relations
One Bank of America Center
100 North Tryon Street, NC1-007-56-06
Charlotte, NC 28255

PAYMENTS OF PURCHASE PRICE ON THE 2025 SERIES K-2 BONDS WILL BE MADE FROM DRAWINGS UNDER THE INITIAL 2025K-2 LIQUIDITY FACILITY IF REMARKETING PROCEEDS ARE NOT AVAILABLE. ALTHOUGH THE INITIAL 2025K-2 LIQUIDITY

FACILITY IS A BINDING OBLIGATION OF THE BANK, THE 2025 SERIES K-2 BONDS ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE 2025 SERIES K-2 BONDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or the Bank since the date of the most recent filings referenced herein, or that the information contained or referred to in this Appendix C is correct as of any time subsequent to the referenced date.

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**APPENDIX E**

**FORM OF 2025IJK BOND COUNSEL OPINION**

_____, 2025

Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202

$200,000,000
COLORADO HOUSING AND FINANCE AUTHORITY
Single Family Mortgage Bonds

| $9,500,000 Class I Bonds 2025 Series I (AMT) (Social Bonds) | $60,000,000 Class III Bonds 2025 Series J (Non-AMT) (Social Bonds) | $83,075,000 Class I Bonds 2025 Series K-1 (Federally Taxable) (Social Bonds) | $47,425,000 Class I Adjustable Rate Bonds 2025 Series K-2 (Federally Taxable) (Social Bonds) |
|---|---|---|---|

Ladies and Gentlemen:

We have acted as bond counsel to the Colorado Housing and Finance Authority (the "Authority") in connection with the issuance of its Single Family Mortgage Class I Bonds, 2025 Series I (AMT) (Social Bonds_ (the "2025 Series I Bonds"), Single Family Mortgage Class III Bonds 2025 Series J (Non-AMT) (Social Bonds) (the "2025 Series J Bonds"), Single Family Mortgage Class I Bonds 2025 Series K-1 (Federally Taxable) (Social Bonds) (the "2025 Series K-1 Bonds") and Single Family Mortgage Class I Adjustable Rate Bonds, 2025 Series K-2 (Federally Taxable) (Social Bonds) (the "2025 Series K-2 Bonds" and, together with the 2025 Series I Bonds, the 2025 Series J Bonds and the 2025 Series K-1 Bonds, the "Bonds") in the aggregate principal amount of $200,000,000. In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. The Bonds are authorized and issued pursuant to the Master Indenture of Trust dated as of October 1, 2001, as amended, and as supplemented by the 2025IJK Series Indenture dated as of July 1, 2025 (together, the "Indenture"), between the Authority and Zions Bancorporation, National Association (formerly, Zions First National Bank), as trustee (the "Trustee"). Capitalized terms used herein, unless parenthetically defined herein, have the meanings ascribed to them in the Indenture.

The Bonds are dated, mature in the years and in the principal amounts, bear interest at the rates, are subject to redemption prior to maturity and are otherwise in the form described in the Indenture.

It is our opinion as bond counsel that:

1. The Bonds have been duly and validly authorized and issued in accordance with law and in accordance with the Indenture. The Bonds, together with the interest payable with respect thereto, are legal, valid, and binding special, limited obligations of the Authority, payable solely from the Revenues and other assets pledged thereto under the Indenture.

2. The Indenture has been duly authorized by the Authority, duly executed and delivered by authorized officials of the Authority, and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms.

3. Under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2025 Series I Bonds and the 2025 Series J Bonds is excludable from gross income for federal income tax purposes. Interest on the 2025 Series I Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals, and interest on the 2025 Series J Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2025 Series I Bonds and the 2025 Series J Bonds may affect the federal alternative minimum tax imposed on certain corporations.

4. Under existing laws, regulations, rulings and judicial decisions interest on the 2025 Series K Bonds is included in gross income for federal income tax purposes.

5. The Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation by the State of Colorado or any political subdivision or other instrumentality of the State of Colorado under Colorado laws in effect as of the date hereof.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest on the 2025 Series I Bonds and the 2025 Series J Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the 2025 Series I Bonds and the 2025 Series J Bonds to be subject to such tax retroactive to the date of issuance of the Bonds. The requirements include provisions that restrict the yield and set forth limitations within which the proceeds of the 2025 Series I Bonds and the 2025 Series J Bonds are to be invested, including eligibility requirements for mortgages, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury. The Indenture contains covenants of the Authority to comply with such requirements. The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

The opinions we have expressed herein as to the treatment of the interest borne by the Bonds for federal income tax purposes is based upon laws, regulations, rulings and decisions in effect on the date hereof. Each purchaser of the Bonds should consult his or her own tax advisor as regards any pending or proposed federal tax legislation.

The obligations of the parties, and the enforceability thereof, with respect to the documents described above are subject to the provisions of the bankruptcy laws of the United States of America and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect. Certain of the obligations, and the enforcement thereof, contained in the documents described above are also subject to general principles of equity, which may limit the specific enforcement of certain remedies but which do not affect the validity of such documents.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. No opinion is expressed as to the Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. The opinions expressed herein are based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation.

Respectfully submitted,

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## APPENDIX F

## CLASS ASSET REQUIREMENTS FOR BONDS

The "*Class I Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held (or deemed held in) in the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of the related series of Class I Bonds), the related subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem the related series of Class I Bonds), the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) in the case of certain series of Bonds, the amounts held in the respective subaccounts of the Accounts and Funds noted in clause (a) above (or deemed held in) that are unrelated to such series of Bonds (including amounts in such subaccounts of the Class I Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Class I Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding as shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class I Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the Series of Bonds to which each respective "Class I Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of related series of Class I Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

The "*Class II Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held in (or deemed held in) the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccounts of the Class I Debt Service Fund and the Class II Debt Service Fund (to the extent such amounts are required to be used to pay principal of the related series of Class I Bonds or Class II Bonds), the related subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem the related series of Class I Bonds or Class II Bonds), the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) the amounts held in the respective subaccounts of the Accounts and Funds listed in clause (a) above (or deemed held in) that are Unrelated to such series of Bonds (including amounts in such subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Class I Bonds or Class II Bonds) plus the aggregate unpaid principal balance of

Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class II Bonds of such series of Unrelated Bonds then Outstanding as such percentages shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class II Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the series of Bonds to which each respective "Class II Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class I Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class II Bonds then Outstanding, or such different percentages as shall be approved or required by each Rating Agency in writing.

The "*Class III Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held in (or deemed held in) the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of related Series of Class I Bonds), the related subaccount of the Class II Debt Service Fund (to the extent such amounts are required to be used to pay principal of related series of Class II Bonds) and the related subaccount of the Class III Debt Service Fund, the related subaccounts of the Redemption Fund, the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) the amounts held in (or deemed held in) the respective subaccounts of the Accounts and Funds listed in clause (a) above that are Unrelated to such series of Bonds plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each Series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class II Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class III Bonds of such Series of Unrelated Bonds then Outstanding as such percentages shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class III Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the series of Bonds to which each respective "Class III Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class I Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class II Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class III Bonds then Outstanding, or such different percentages as may be approved or required by each Rating Agency in writing.

The Class I Asset Requirement, Class II Asset Requirement and Class III Asset Requirement, respectively, with respect to a series of Bonds shall include the percentages set forth in the Related Series Indenture. The percentages for the Class Asset Requirements for each series of the Outstanding Bonds, approved at this time by each Rating Agency are 113.75% for the Class I Asset Requirement, 106% for the Class II Asset Requirement and 102% for the Class III Asset Requirement (except, in each case, with respect to the Short-Term Bonds, for which the applicable Class Asset Requirement is 100%). These percentages are subject to change and reevaluation upon the issuance of each series of Bonds and from time to time as reviewed by the Rating Agencies.

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**APPENDIX G**

**ANNUAL FINANCIAL REPORT**
**(WITH INDEPENDENT AUDITORS' REPORT THEREON)**
**DECEMBER 31, 2024 AND 2023**

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December 31, 2024 and 2023

2024

# annual financial report

Homeownership

Rental Housing

Business Lending

Community Partnerships

chfa®

colorado housing and finance authority

## COLORADO HOUSING AND FINANCE AUTHORITY – Annual Financial Report

## Table of Contents


| | Page(s) |
|---|---|
| EXECUTIVE LETTER (Unaudited) | 1 – 2 |
| INDEPENDENT AUDITORS' REPORT | 3 – 7 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) | 8 – 20 |
| BASIC FINANCIAL STATEMENTS | 21 – 25 |
| Statements of Net Position | 22 |
| Statements of Revenues, Expenses and Changes in Net Position | 23 |
| Statements of Cash Flows | 24 – 25 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 26 – 78 |
| REQUIRED SUPPLEMENTAL INFORMATION (Unaudited) | 79 – 89 |
| Schedules of Selected Pension Information | 80 |
| Notes to the Required Supplementary Information – Pension Plans | 81 – 84 |
| Schedules of Selected OPEB Information | 85 |
| Notes to the Required Supplementary Information – OPEB | 86 – 89 |
| SUPPLEMENTAL INFORMATION | 90 – 99 |
| Combining Schedule – Statement of Net Position | 91 |
| Combining Schedule – Statement of Revenues, Expenses and Changes in Net Position | 92 |
| Combining Schedule – Statement of Cash Flows | 93 – 94 |
| Schedule of Adjusted Net Worth | 95 |
| Schedule of Other Assets | 96 |
| Liquid Asset Requirement Calculation for Issuers | 97 |
| Capital Requirement Calculation for Issuer | 98 |
| Schedule of Insurance Requirement | 99 |
| HUD REPORTING | 100 – 103 |
| Independent Auditors' Report on Compliance for the Major HUD Program and Report on Internal Control Over Compliance Required by the *Consolidated Audit Guide for Audits of HUD Programs* | |

# executive letter (unaudited)

**Message from Thomas Bryan**
**Executive Director and CEO**
**March 27, 2025**

Throughout 2024, Colorado Housing and Finance Authority (CHFA or the Authority) worked to fulfill its mission across its core program areas, while remaining innovative and responsive to market challenges and opportunities. In total, CHFA invested more than $2.6 billion across Colorado. Through these investments, CHFA was proud to support:

- 5,291 Colorado households in achieving homeownership with CHFA home finance products;
- 5,502 affordable rental housing units to be developed or preserved with CHFA multifamily lending and/or Housing Tax Credits;
- 582 businesses and nonprofits in accessing capital, supporting more than 3,900 jobs; and
- 560 nonprofit organizations in growing capacity to meet local needs through grants, sponsorships, donations, and volunteerism.

As investments were made across our core programs and established lines of business, we pursued new opportunities to help meet Colorado's housing and economic development needs, including piloting a single family construction loan program and beginning deployment of expanded state Affordable Housing Tax Credit resources to support affordable rental housing. In addition, CHFA celebrated the Colorado General Assembly's establishment of tax credits to support affordable housing in Transit-oriented Communities (TOC), and the Middle-income Housing Tax Credit (MIHTC) pilot program.

Finally, CHFA was proud to celebrate its 50th anniversary in 2024, having commenced its operations in 1974 following its establishment by the Colorado General Assembly in 1973. This provided CHFA an opportunity to reflect on its historical impact on our state, and the critical role of partner organizations in helping us work toward our vision that everyone in Colorado will have the opportunity for housing stability and economic prosperity.

Thomas Bryan
Executive Director and CEO

# independent auditor’s report

CliftonLarsonAllen LLP
CLAconnect.com

# INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Housing and Finance Authority
Denver, Colorado

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of the Colorado Housing and Finance Authority (Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2024 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Other Matters*

*Prior Year Financial Statements*

The 2023 financial statements of the Colorado Housing and Finance Authority were audited by other auditors whose report dated March 28, 2024, expressed an unmodified opinion on those statements.

### *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.


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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and 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 Authority'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 Authority'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, Schedules of Selected Pension Information, Notes to the RSI – Pension Plans, Schedules of Selected OPEB Information, and Notes to the RSI – OPEB (collectively, RSI) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit for the year ended December 31, 2024 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Colorado Housing and Finance Authority's basic financial statements. The Combining Schedule – Statement of Net Position, Combining Schedule – Statement of Revenues, Expenses, and Changes in Net Position, Combining Schedule – Statement of Cash Flows, Schedule of Adjusted Net Worth, Schedule of Other Assets, Liquid Asset Requirement Calculation for Issuers, Capital Requirement Calculation for Issuer, and Schedule of Insurance Requirement (collectively, the Supplemental Information) for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2024 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2024.

The information for the year ended December 31, 2023 presented as summarized comparative totals within The Combining Schedule – Statement of Net Position, Combining Schedule – Statement of Revenues, Expenses, and Changes in Net Position, Combining Schedule – Statement of Cash Flows is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information was subjected to the auditing procedures applied in the December 31, 2023 audit of the basic financial statements performed by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the December 31, 2023 basic financial statements as a whole.

***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Broomfield, Colorado
March 27, 2025

# management's discussion and analysis (unaudited)

This section of Colorado Housing and Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations as of and for the years ended December 31, 2024 and 2023. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Government Accounting Standards Board (GASB).

The Authority is a body corporate and political subdivision of the State of Colorado (the State), that finances affordable housing, business and economic growth opportunities for residents and businesses of Colorado. Its dual mission is to increase the availability of affordable, decent and accessible housing for lower- and moderate-income Coloradans, and to strengthen the state's economy by providing financial assistance to businesses.

Established by the Colorado General Assembly in 1973, the Authority raises funds through the public and private sale of bonds and notes, which are not obligations of the State. As a self-sustaining organization, the Authority's operating revenues come from loan and investment income, program administration fees, loan servicing fees and gains on sales of loans. The Authority receives no tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings.

The Authority participates in the Government National Mortgage Association (Ginnie Mae) Mortgage Backed Securities (MBS) Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and that are backed by pools of mortgage loans. Ginnie Mae securities, which can be held or sold, carry the full faith and credit guaranty of the United States government. Holders of the securities receive a "pass-through" of the principal and interest payments on a pool of mortgage loans, less amounts required to cover servicing costs and Ginnie Mae guaranty fees. The Ginnie Mae guaranty ensures that the holder of the security issued by the Authority receives the timely payment of scheduled monthly principal and any unscheduled recoveries of principal on the underlying mortgage loans, plus interest at the rate provided for in the securities. All loans pooled under the Ginnie Mae MBS Programs are either insured by the Federal Housing Administration (FHA) or are guaranteed by the United States Department of Agriculture (USDA) Rural Development or the Veterans Administration.

The Authority also participates in the Federal National Mortgage Association (Fannie Mae) MBS and Whole Loan Commitment Programs. Fannie Mae is a government-sponsored enterprise with a public mission to provide stability in, and to increase the liquidity of, the residential mortgage market for homebuyers. The Authority is a Fannie Mae Seller/Servicer, either selling whole loans to Fannie Mae for cash or swapping pooled loans for MBS issued by Fannie Mae, which securities can be held or sold.

The Authority also participates in the Federal Home Loan Mortgage Corporation (Freddie Mac) Whole Loan Commitment Program. Freddie Mac is a government-sponsored enterprise with a public mission to provide liquidity, stability and affordability to the nation's housing market. The Authority is a Freddie Mac Seller/Servicer, selling whole loans to Freddie Mac for cash.

**Overview of the Financial Statements**

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes thereto. The Authority follows enterprise fund accounting, whereby changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. The financial statements offer information about the Authority's activities and operations.

The Statement of Net Position includes all of the Authority's assets and liabilities, presented in order of liquidity, along with deferred outflows and deferred inflows. The resulting net position presented in these statements is displayed as invested in capital assets, restricted or unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes. Net position is unrestricted when there are no external limits on its use. The unrestricted net position is, however, formally designated for specific purposes by the Authority's Board of Directors each year.

All of the Authority's current year revenues and expenses are recorded in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the activities of the Authority's operations over the past year and presents the resulting change in net position.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments and net changes in cash resulting from operating, noncapital financing, capital and related financing and investing activities. The statement provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The notes to basic financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

Required and other supplementary information is presented following the notes to basic financial statements to provide selected pension and other post employment benefit (OPEB) information and other supplemental information, such as combining schedules for the Authority's programs. These programs are explained in greater detail below.

**Programs**

**General Programs –** Insured and uninsured single family and multifamily loans have been made by the Authority using funds in its General Fund designated as the Community Impact Fund (CIF). Within the CIF resides the Authority's Housing Opportunity Fund (HOF Program). Under the HOF Program, the Authority makes fixed interest rate loans and provides interest rate subsidies to nonprofit and for profit developers in support of rental housing facilities targeted to support affordable rental housing. The Authority also makes loans to support its single family program, including down payment assistance loans, within the fund. All HOF loans must conform to standard Authority due diligence processes and underwriting criteria, unless waived in accordance with the Authority's standard process, and are secured by either first or second mortgages on real estate. Loan terms on HOF loans may range up to 40 years.

**Single Family Programs –** Under its Single Family Mortgage Programs, the Authority may purchase mortgage loans for single-family residential dwellings from qualified originating mortgage lenders, or may, under certain programs, provide loans directly to individual borrowers. The Authority presently acquires mortgage loans under its Non-Qualified Single Family Mortgage Program (taxable) and its Qualified Single Family Mortgage Program (tax exempt). Loans made under the qualified program are subject to certain income and purchase price limitations. The Authority permits eligible borrowers under its Non-Qualified Single Family Mortgage Program to meet certain income limits which are generally somewhat higher than the limits permitted for a Qualified Single Family Mortgage Program. There is no limit imposed by the Authority on prior home ownership or limit on the purchase price of a residence which may be acquired with the proceeds of a loan under the Non-Qualified Single Family Mortgage Program, although all such mortgage loans must meet any applicable loan limit.

**Multifamily Lending Programs –** The Multifamily Lending Programs provide financing to sponsors of affordable rental housing developments. Financing options include construction to permanent loans, permanent-only loans, acquisition loans, acquisition/rehabilitation loans and, in certain circumstances, refinancing of existing debt. Other financing structures may be considered, based upon the property characteristics and sub-market due diligence, as well as the demonstrated experience and financial capacity of the sponsor. The mortgages originated under the multifamily loan programs include a combination of insured and uninsured mortgages. The Authority is a Tier I lender under FHA's Section 542(c) of the Housing and Community Development Act of 1992, as amended, which provides insurance on multifamily loans and is a credit enhancement mechanism available only to qualified housing and finance agencies acting as the mortgage lender.

**Business Finance Programs –** The Authority originates uninsured loans as part of its direct business loan programs, including the Direct Loan Program, the Non-Profit Real Estate Loan Program, the U.S. Small Business Administration 504

Program, the Rural Loan Program, the Rural Development Loan Program and the RENEW (Recycling) Program. These business loans must meet certain economic development or job creation/retention objectives and are made to Colorado businesses to provide long-term, fixed rate financing for real estate and equipment. The uninsured direct business loans are generally secured by a first lien on the assets financed, are made in amounts up to 90% of the lesser of cost or appraised value of the collateral, are fully amortizing over terms of up to thirty years for real estate loans and seven years for equipment, and generally require guarantees from principals of the business having a 20% or greater ownership interest. A guaranty is also required from the operating company if different from the borrower. Some of the Authority's small business loans may carry credit enhancement by an agency or instrumentality of the United States under an insurance program requiring payment of not less than 50% of the principal amount of such mortgage in the event of default. Direct small business loans insured to date have utilized the USDA Rural Development guarantee programs.

## Financial Highlights

The following financial highlights section refers to the Authority's consolidated financial statements. The reader of this management's discussion and analysis section is encouraged to also review the Authority's combining schedules within the supplementary information section of this 2024 financial report.

### Condensed Summary of Net Position

*(in thousands of dollars)*

| As of December 31, | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| Cash | **$ 207,099** | $ 169,745 | $ 173,618 |
| Investments | **4,162,413** | 3,256,398 | 2,010,447 |
| Loans receivable, net | **1,783,374** | 1,475,614 | 1,330,673 |
| Loans receivable held for sale | **131,593** | 120,987 | 95,836 |
| Capital assets, net | **10,593** | 11,403 | 11,931 |
| Derivative instruments | **100,698** | 53,493 | 69,029 |
| Other assets | **219,510** | 189,540 | 144,110 |
| **Total assets** | **6,615,280** | 5,277,180 | 3,835,644 |
| **Deferred outflows of resources** | | | |
| Accumulated fair value of hedging derivatives | **13,759** | 31,695 | 24,513 |
| Pension and OPEB contributions and investment earnings | **10,192** | 12,941 | 3,328 |
| Refundings of debt | **931** | 878 | 896 |
| **Total deferred outflows of resources** | **24,882** | 45,514 | 28,737 |
| **Liabilities** | | | |
| Bonds, notes payable and short-term debt | **5,402,016** | 4,216,117 | 2,856,096 |
| Derivative instruments and related borrowings | **1,834** | 2,905 | 3,680 |
| Net pension and OPEB liability - proportionate share | **20,395** | 25,532 | (463) |
| Other liabilities | **279,581** | 215,857 | 200,109 |
| **Total liabilities** | **5,703,826** | 4,460,411 | 3,059,422 |
| **Deferred inflows of resources** | | | |
| Accumulated fair value of hedging derivatives | **107,079** | 79,842 | 88,555 |
| Pension and OPEB investment differences | **792** | 851 | 15,254 |
| **Total deferred inflows of resources** | **107,871** | 80,693 | 103,809 |
| **Net position** | | | |
| Investment in capital assets, net of related debt | **1,533** | 1,969 | 2,138 |
| Restricted by grants | **2,638** | 7,344 | 6,283 |
| Restricted primarily by bond indentures | **129,577** | 96,955 | 39,415 |
| Unrestricted | **694,717** | 675,322 | 653,314 |
| **Total net position** | **$ 828,465** | $ 781,590 | $ 701,150 |

**Statement of Net Position**

Total investments comprised 62.9% of the Authority's total assets and represent the Authority's largest asset class. Total investments as of December 31, 2024 were $4.2 billion, an increase of $906.0 million, or 27.8%, compared to the amount outstanding as of December 31, 2023. This increase was primarily the result of the Authority retaining MBS as investments on its balance sheet, as opposed to selling these in the secondary market at a premium. These MBS were pledged as collateral for bonds issued by the Authority during the year.

In 2023, investments increased $1.2 billion, or 62.0%, when compared to 2022. Similar to 2024, this increase was primarily the result of the Authority retaining MBS as investments on its balance sheet, as opposed to selling these in the secondary market at a premium. These MBS were pledged as collateral for bonds issued by the Authority during the year.

Total loans receivable, including loans held for sale, net of allowances for loan losses, comprised 29.0% of the Authority's total assets. These loan balances as of December 31, 2024 were $1.9 billion; an increase of $318.4 million, or 19.9%, compared to the amount outstanding as of December 31, 2023. During 2024, the Authority retained a majority of its loan production on its balance sheet in the form of MBS securities. The remaining single family loan production was sold through four vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae or Freddie Mac. During 2024, $1.4 billion in loans were securitized through Ginnie Mae, of which $1.2 billion were placed into taxable and tax-exempt MBS-backed bond structures. The remainder were sold in the to-be-announced (TBA) market through the issuance and sale of Ginnie Mae securities. Loans totaling $102.5 million were either pooled and swapped for Fannie Mae mortgage backed securities and sold for a premium, or sold directly to Fannie Mae. Additionally, $443.3 million in loans were sold directly to Freddie Mac.

In 2023, net loans receivable increased by $170.1 million, or 11.9%, when compared to 2022. This increase over the prior year was primarily the result of the demand for the Authority's down payment assistance (DPA) in the form of second mortgages.

While it has been the Authority's practice to pool loans into mortgage backed securities and either sell them in the secondary market for a gain or retain and pledge them as collateral for bonds, the Authority continued the practice of purchasing and retaining the mortgage servicing rights (MSRs) to these loans. Additionally, the Authority continued the practice of servicing the whole loans it retains in its loan portfolio. The loans serviced by the Authority include both single family and commercial loans.

| **Servicing Portfolio** *(gross, in thousands)* | **2024** | **2023** | **2022** |
|---|---|---|---|
| GNMA - securities sold | $ 8,737,767 | $ 8,070,179 | $ 7,231,151 |
| FNMA - loans and securities sold | 1,216,727 | 1,201,078 | 1,235,411 |
| FHLMC - loans sold | 1,032,019 | 636,505 | 232,089 |
| Balance sheet loans (single family/multifamily/business finance) | 1,930,533 | 1,614,696 | 1,436,925 |
| Total Servicing Portfolio | $ 12,917,046 | $ 11,522,458 | $ 10,135,576 |

The delinquency ratios represented in the following tables are calculated using industry best practices and are reported on the Authority's entire servicing portfolio, including loans that were sold and the mortgage servicing rights retained, as well as loans the Authority maintains as assets on its balance sheet. Investors looking for past due information on loans pledged as collateral for specific bond series of the Authority can find this information by visiting the Municipal Securities Rulemaking Board's EMMA website at https://emma.msrb.org/IssuerHomePage/State?state=CO.

Delinquent unpaid principal balances within the single family loan portfolio increased slightly during 2024 when compared to the prior year. Total single family past due loans increased to 13.2% in 2024, from 12.3% in 2023. There was no change in delinquencies in the multifamily and business finance portfolios.

| Single Family Portfolio Delinquency | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current | 86.8% | 87.7% | 87.8% |
| 30 Day | 5.3% | 6.1% | 4.8% |
| 60 Day | 2.7% | 2.4% | 2.0% |
| 90 Day | 4.4% | 3.1% | 4.3% |
| Foreclosure | 0.8% | 0.7% | 1.1% |
| Total past due | 13.2% | 12.3% | 12.2% |

| Multifamily Portfolio Delinquency | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current | 100.0% | 100.0% | 100.0% |
| 30 Day | 0.0% | 0.0% | 0.0% |
| 60 Day | 0.0% | 0.0% | 0.0% |
| 90 Day | 0.0% | 0.0% | 0.0% |
| Foreclosure | 0.0% | 0.0% | 0.0% |
| Total past due | 0.0% | 0.0% | 0.0% |

| Business Finance Portfolio Delinquency | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current | 100.0% | 100.0% | 99.8% |
| 30 Day | 0.0% | 0.0% | 0.0% |
| 60 Day | 0.0% | 0.0% | 0.2% |
| 90 Day | 0.0% | 0.0% | 0.0% |
| Foreclosure | 0.0% | 0.0% | 0.0% |
| Total past due | 0.0% | 0.0% | 0.2% |

During 2024, derivative instruments increased $47.2 million, or 88.2%, over prior year. The increase was due to changes in interest rates and continued to result in the Authority reporting derivative instruments as a cumulative non-current asset compared to years prior to 2022, where the instruments have been valued and reported as a cumulative non-current liability.

Total deferred outflows as of December 31, 2024 were $24.9 million, a decrease of $20.6 million, or 45.3%, compared to the amount outstanding as of December 31, 2023. Deferred outflows for 2023 increased $16.8 million, or 58.4%, from those reported in 2022. These changes were primarily the result of changes in market interest rates.

As of December 31, 2024, bonds, notes payable and short-term debt were $5.4 billion, an increase of $1.2 billion, or 28.1%, compared to the balance at December 31, 2023. This increase is the result of several 2024 single family and multifamily bond issuances, the proceeds of which were used to finance loans for the single family and multifamily programs.

The Authority's debt transactions followed best execution analysis and were part of the Authority's annual plan of finance. Debt activity detail for 2024 occurred as follows:

- On February 14, 2024, the Authority issued $125.0 million of taxable Single Family Mortgage Class I 2024 Series A Bonds to fund approximately $119.0 million of MBS backed by new single family mortgages and $5.0 million of down-payment assistance second mortgage loans.

- On April 17, 2024, the Authority issued $170.0 million of taxable Single Family Mortgage Class I, 2024 Series B Bonds to fund approximately $143.4 million of MBS backed by new single-family mortgages, $20.0 million of FHA loan modifications held by CHFA'S General Fund, and $5.6 million of down-payment assistance second mortgage loans.

- On June 18, 2024, the Authority issued $200.0 million of taxable Class I 2024 Series C Bonds to fund approximately $169.0 million of MBS backed by new single-family mortgages, $25.0 million of FHA loan modifications held by CHFA'S General Fund, and $5.0 million of down-payment assistance second mortgage loans.

- On July 17, 2024, the Authority issued $150.0 million of taxable Single Family Mortgage Class I 2024 Series D Bonds to fund $145.0 million of MBS backed by new single-family mortgages and $4.8 million of down-payment assistance second mortgage loans.

- On August 1, 2024, the Authority issued $45.8 million of tax-exempt Class I 2024 Series A Bonds to fund a new Multifamily Project loan.

- On September 5, 2024, the Authority issued $62.6 million of tax-exempt Class I 2024 Series CD Bonds to fund a new Multifamily Project loan.

- On September 11, 2024, the Authority issued $200.0 million of taxable Single Family Mortgage Class I 2024 Series E Bonds to fund approximately $174.0 million of MBS backed by new single-family mortgages, $20.0 million of FHA loan modifications held by CHFA'S General Fund, and $5.5 million of down-payment assistance second mortgage loans.

- On September 24, 2024, the Authority issued $19.4 million of tax-exempt Class I 2024 Series B Bonds to fund a new Multifamily Project loan.

- On October 16, 2024, the Authority issued $150.0 million of taxable Single Family Mortgage Class I 2024 Series F Bonds to fund $146.5 million of MBS backed by new single-family mortgages and $5.0 million of down-payment assistance second mortgage loans.

- On November 13, 2024, the Authority issued $200.0 million of taxable Single Family Mortgage Class I 2024 Series G Bonds to fund approximately $174.1 million of MBS backed by new single-family mortgages, $20.0 million of FHA loan modifications held by CHFA'S General Fund, and $5.5 million of down-payment assistance second mortgage loans.

Additional information on the Authority's long-term debt can be found in note 6 of this report.

As of December 31, 2024, the net pension and OPEB liability was $20.4 million, a decrease of $5.1 million, or 20.1%, compared to the balance at December 31, 2023. The net pension and OPEB liability relies on information from the prior year and this decrease is the result of favorable investment performance during 2023. Additional information on the Authority's retirement plan can be found in note 12 of this report.

During 2023, total liabilities increased $1.4 billion, or 45.8%, over the prior year. Bonds, notes payable and short-term debt increased $1.4 billion, or 47.6% over 2022, primarily due to the issuance of new single family and multifamily program bonds. Also in 2023, derivative instruments and related borrowings decreased $14.8 million, or 22.6%, from the prior year due to changing market interest rates.

The Authority's net position as of December 31, 2024, was $828.5 million, an increase of $46.9 million, or 6.0%, compared to the balance as of December 31, 2023. The increase in net position was primarily due to an increase in fair market value of investments during 2024 as a result of more favorable market rates compared to prior year. Net position, as a percent of total assets, decreased from 14.8% as of December 31, 2023, to 12.5% as of December 31, 2024.

**Condensed Summary of Revenues, Expenses and Changes in Net Position**
*(in thousands of dollars)*

| For the years ended December 31, | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Interest income and expense:** | | | |
| Interest on loans receivable | **$ 57,701** | $ 53,745 | $ 48,168 |
| Interest on investments | **196,706** | 115,781 | 51,507 |
| Interest on debt | **(197,143)** | (126,670) | (71,587) |
| Net interest income | **57,264** | 42,856 | 28,088 |
| **Other operating income:** | | | |
| Gain on sale of loans | **17,358** | 19,276 | 51,997 |
| Investment derivative activity gain (loss) | **2,034** | 358 | 4,741 |
| Net increase (decrease) in the fair value of investments | **(10,005)** | 51,099 | (204,822) |
| Other revenues | **81,356** | 71,592 | 65,580 |
| Total other operating income (loss) | **90,743** | 142,325 | (82,504) |
| Total operating income (loss) | **148,007** | 185,181 | (54,416) |
| **Operating expenses:** | | | |
| Salaries and related benefits | **30,305** | 33,120 | 19,555 |
| General operating | **71,752** | 67,829 | 43,528 |
| Depreciation | **1,170** | 1,071 | 1,075 |
| Provision for loan losses | **543** | 10,065 | 2,245 |
| Total operating expenses | **103,770** | 112,085 | 66,403 |
| **Net operating income (loss)** | **44,237** | 73,096 | (120,819) |
| **Nonoperating expenses:** | | | |
| Grant revenues | **193,574** | 188,388 | 194,227 |
| Grant expenses | **(190,936)** | (181,044) | (187,944) |
| Total nonoperating income and expenses, net | **2,638** | 7,344 | 6,283 |
| **Change in net position** | **46,875** | 80,440 | (114,536) |
| **Net position:** | | | |
| Beginning of year | **781,590** | 701,150 | 815,686 |
| End of year | **$ 828,465** | $ 781,590 | $ 701,150 |

**Revenues, Expenses and Changes in Net Position**

As reflected in the Statement of Revenues, Expenses and Changes in Net Position, the change in net position during 2024 was $46.9 million, for an increase of 6.0% over the results at December 31, 2023. The increase in the change in net position compared to the prior year was composed of the following:

- A $14.4 million increase in net interest income. This increase is the result of additional interest earned on MBS that were added to the balance sheet throughout the year, offset against additional interest expense due to increased bond financing.

- A $51.6 million decrease in other operating income as a result of the following:
  - $1.9 million decrease in gain on sale of loans. This change was driven by a decrease in the amount of single family loans being pooled into MBS and sold through the TBA market at a premium. Additionally, the MBS that were sold through the TBA market generally earned a lower premium than MBS sold in the prior year. Year-over-year loans securitized into MBS for single family loans is depicted in the table below:

| **Single Family Loans Securitized** *(in thousands)* | **2024** | **2023** | **2022** |
|---|---|---|---|
| GNMA | $ 1,365,220 | $ 1,528,654 | $ 2,131,790 |
| FNMA | 102,532 | 53,686 | 296,384 |
| FHLMC | 443,329 | 423,570 | 83,329 |
| Total Single Family Loans Securitized | $ 1,911,081 | $ 2,005,910 | $ 2,511,503 |

  - $1.7 million increase in investment derivative activity
  - $61.1 million decrease in fair value of investments related to a decrease in the fair market value of program investments
  - $9.8 million increase in other revenues related to program fee income

- An $8.3 million decrease in total operating expenses primarily due to decreased loan loss reserves and salaries and benefits related to pension expense.

- A $4.7 million decrease in nonoperating income related to federal grant commitments that will be paid out in subsequent years.

During 2023, total operating income increased by $239.6 million, or 440.3%, compared to 2022. The following contributed to the increase:

- Other revenues increased $6.0 million related to an increase in program fee and servicing fee income.

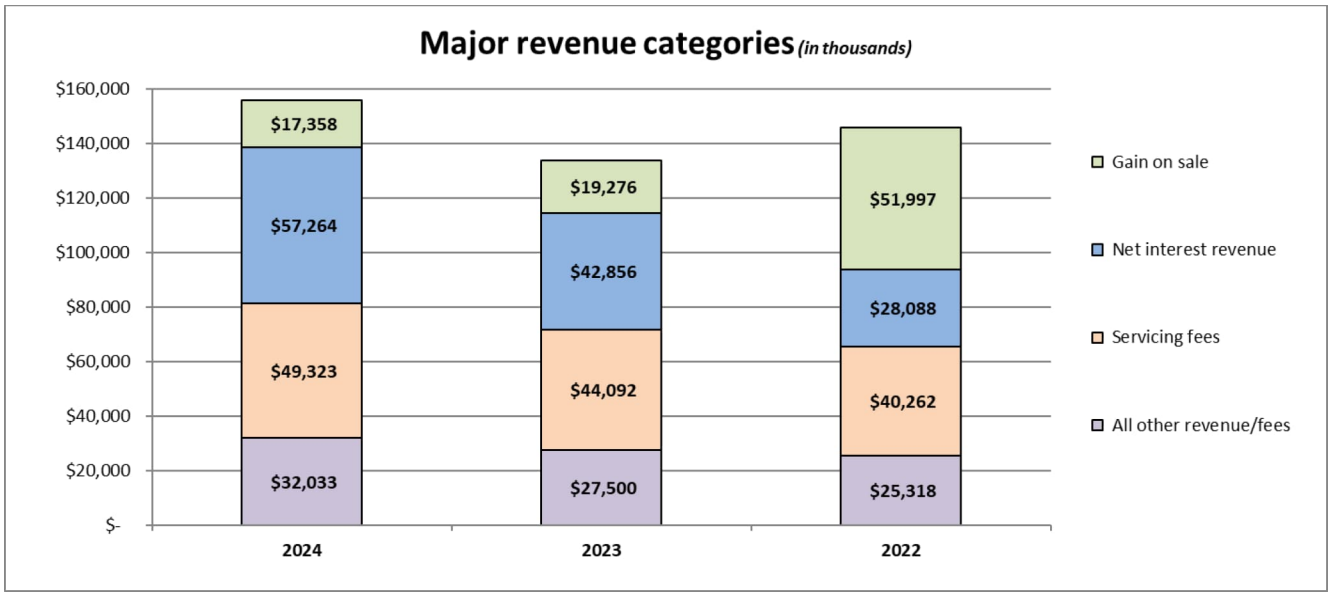
- Gain on sale of loans decreased $32.7 million due to declining premiums offered in the secondary market.

- The fair value of investments increased by $255.9 million primarily due to changes in market rates during 2023.

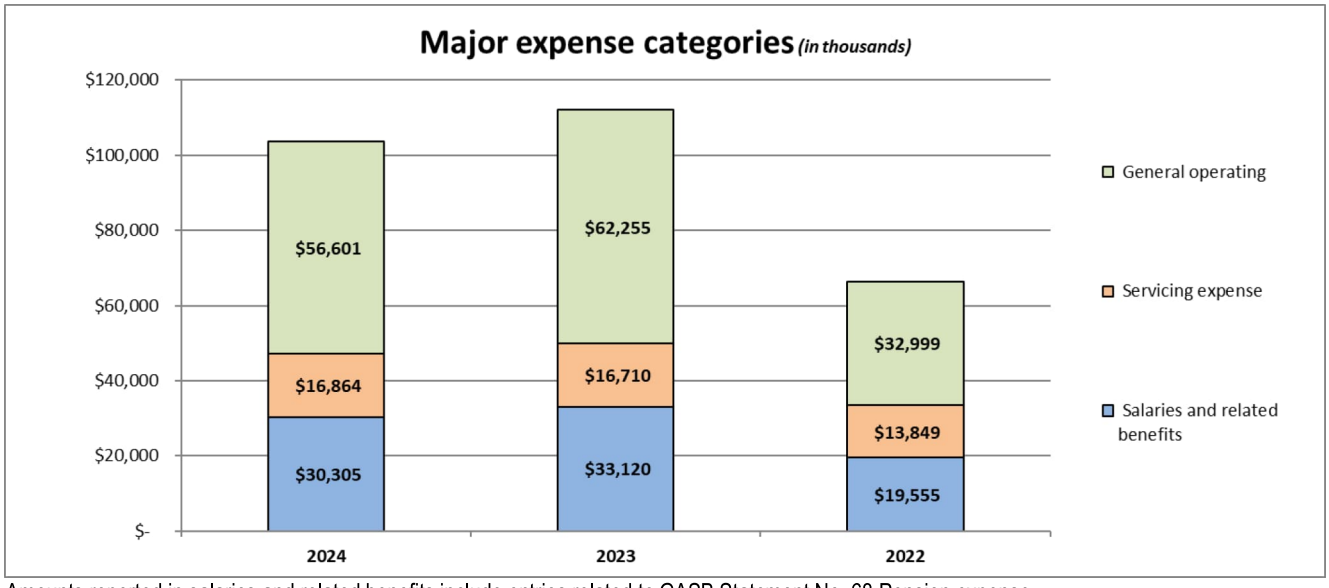
Total operating expenses in 2023 increased $45.7 million, or 68.8%, compared to 2022 primarily due to increased servicing expense and cost of issuance expense.

The federal grant receipts/payments consisted primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid by federal subsidy.

Year-over-year comparisons of major income and major expense categories are depicted in the tables below:




Gain on sale represents the gain recognized on the sale of single family loans in the secondary market at a premium. The category for all other revenues/fees is primarily made up of PBCA, LIHTC and conduit transaction fees.




Amounts reported in salaries and related benefits include entries related to GASB Statement No. 68 Pension expense and GASB Statement No. 75 OPEB expense. These amounts totaled $(2.4) million, $2.0 million and $(10.1) million for fiscal years, 2024, 2023 and 2022, respectively.

## Economic Factors and Next Year's Budget

The 2025 budget was developed to provide desired products and services while maintaining financially responsible practices. In recent years, the Authority has seen a decline in single family loan production, partly due to rising interest rates as well as declining affordable inventory in the metro areas of Colorado.

During 2025, the Authority's loan and investment portfolios are projected to increase in size due to continued efforts to add loans and investment securities to the balance sheet. Contributing to this increase is the anticipated addition of over $1.4 billion in new loans and investment securities as a result of single family and multifamily lending operations, related debt is also projected to increase in 2025. As a result, overall net interest revenue is expected to increase.

Pressure on tax credit equity pricing and strong demand for affordable rental housing throughout the state are increasing the need for multifamily financing products and services. This being the case, the Authority is working to enhance its product offerings and increase its presence and visibility within the multifamily financing space. We believe this will result in an increase in the pipeline of multifamily loans the Authority finances in the years to come. The Authority also expects business finance production to continue to generate fee income through the Authority's lending activities.

Securitizing single family loan production and selling the securities for their market premiums is projected to continue to decline in 2025 due to lower premiums and declining opportunities in the secondary market. The budget reflects a 'purchase and sell' model for 22% of the $1.9 billion in budgeted single family loan production. The remaining 78% is budgeted to be bond-financed in an effort to continue growing the Authority's loan portfolio, providing future net interest revenue. The 2025 budget projects single family production to decline from 2024 results.

The Authority's operating expenses are projected to increase slightly over amounts reported for 2024. This increase will reside primarily within the Authority's salaries and related benefits due to budgeted merit increases, modest staffing increases and increases in health insurance premium expense.

Certain of the matters contained in this management's discussion and analysis about the Authority's future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management.

Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decisions with regards to our securities. Forward-looking statements made in this discussion apply only as of the date of these financial statements. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable laws.

## Requests for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Chief Financial Officer at Colorado Housing and Finance Authority, 1981 Blake Street, Denver, Colorado 80202 (303-297-2432 or toll free, 800-877-2432).

# basic financial statements

## Colorado Housing and Finance Authority
## Statement of Net Position
**As of December 31, 2024 and 2023**

***(in thousands of dollars)***

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | | |
| Restricted | **$ 192,120** | $ 155,828 |
| Unrestricted | **14,979** | 13,917 |
| Investments (partially restricted, see note 2) | **514,160** | 555,574 |
| Loans receivable (partially restricted, see note 3) | **59,446** | 49,188 |
| Loans receivable held for sale | **131,593** | 120,987 |
| Other current assets | **73,297** | 56,460 |
| Total current assets | **985,595** | 951,954 |
| Noncurrent assets: | | |
| Investments (partially restricted, see note 2) | **3,648,253** | 2,700,824 |
| Loans receivable, net (partially restricted, see note 3) | **1,723,928** | 1,426,426 |
| Derivative instruments | **100,698** | 53,493 |
| Capital assets, net | **10,593** | 11,403 |
| Other assets | **146,213** | 133,080 |
| Total noncurrent assets | **5,629,685** | 4,325,226 |
| **Total assets** | **6,615,280** | 5,277,180 |
| **Deferred outflows of resources** | | |
| Accumulated fair value of hedging derivatives | **13,759** | 31,695 |
| Pension and OPEB contributions and investment earnings | **10,192** | 12,941 |
| Refundings of debt | **931** | 878 |
| **Total deferred outflows of resources** | **24,882** | 45,514 |
| **Liabilities** | | |
| Current liabilities: | | |
| Short-term debt | **327,134** | 206,502 |
| Bonds payable | **265,765** | 147,400 |
| Notes payable | **59** | 59 |
| Hybrid instrument borrowings | **484** | 623 |
| Other current liabilities | **193,589** | 157,344 |
| Total current liabilities | **787,031** | 511,928 |
| Noncurrent liabilities: | | |
| Bonds and notes payable | **4,809,058** | 3,862,156 |
| Hybrid instrument borrowings | **1,350** | 2,282 |
| Net pension and OPEB liability - proportionate share | **20,395** | 25,532 |
| Other liabilities | **85,992** | 58,513 |
| Total noncurrent liabilities | **4,916,795** | 3,948,483 |
| **Total liabilities** | **5,703,826** | 4,460,411 |
| **Deferred inflows of resources** | | |
| Accumulated fair value of hedging derivatives | **107,079** | 79,842 |
| Pension and OPEB investment differences | **792** | 851 |
| **Total deferred inflows of resources** | **107,871** | 80,693 |
| **Net position** | | |
| Investment in capital assets, net of related debt | **1,533** | 1,969 |
| Restricted by grants | **2,638** | 7,344 |
| Restricted primarily by bond indentures | **129,577** | 96,955 |
| Unrestricted | **694,717** | 675,322 |
| **Total net position** | **$ 828,465** | $ 781,590 |

*See accompanying notes to basic financial statements.*

# Colorado Housing and Finance Authority
## Statement of Revenues, Expenses and Changes in Net Position
**For the years ended December 2024 and 2023**

*(in thousands of dollars)*

| | 2024 | 2023 |
|---|---|---|
| **Interest income and expense:** | | |
| Interest on loans receivable | **$ 57,701** | $ 53,745 |
| Interest on investments | **196,706** | 115,781 |
| Interest on debt | **(197,143)** | (126,670) |
| Net interest income | **57,264** | 42,856 |
| **Other operating income:** | | |
| Gain on sale of loans | **17,358** | 19,276 |
| Investment derivative activity gain | **2,034** | 358 |
| Net decrease in the fair value of investments | **(10,005)** | 51,099 |
| Other revenues | **81,356** | 71,592 |
| Total other operating income | **90,743** | 142,325 |
| Total operating income | **148,007** | 185,181 |
| **Operating expenses:** | | |
| Salaries and related benefits | **30,305** | 33,120 |
| General operating | **71,752** | 67,829 |
| Depreciation | **1,170** | 1,071 |
| Provision for loan losses | **543** | 10,065 |
| Total operating expenses | **103,770** | 112,085 |
| **Net operating income** | **44,237** | 73,096 |
| **Nonoperating income and expenses:** | | |
| Grant revenues | **193,574** | 188,388 |
| Grant expenses | **(190,936)** | (181,044) |
| Total nonoperating income and expenses | **2,638** | 7,344 |
| **Change in net position** | **46,875** | 80,440 |
| **Net position:** | | |
| Beginning of year | **781,590** | 701,150 |
| End of year | **$ 828,465** | $ 781,590 |

*See accompanying notes to basic financial statements.*

## Colorado Housing and Finance Authority
## Statement of Cash Flows
**For the years ended December 2024 and 2023**

***(in thousands of dollars)***

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Principal payments received on loans receivable and receipts from dispositions of other real estate owned | **$ 1,015,202** | $ 728,948 |
| Interest payments received on loans receivable | **55,415** | 53,972 |
| Payments for loans receivable | **(2,705,100)** | (2,437,174) |
| Receipts from sales of Ginnie Mae securities | **1,388,795** | 1,547,610 |
| Changes in servicing escrows | **20,637** | 11,753 |
| Receipts from other revenues | **81,182** | 71,384 |
| Payments for salaries and related benefits | **(34,948)** | (6,958) |
| Payments for goods and services | **(59,310)** | (90,256) |
| All other, net | **(1,618)** | (31,361) |
| Net cash used in operating activities | **(239,745)** | (152,082) |
| **Cash flows from noncapital financing activities:** | | |
| Net increase in short-term debt | **120,632** | 43,504 |
| Proceeds from issuance of bonds | **1,322,795** | 1,530,720 |
| Receipts from federal grant programs | **193,142** | 173,435 |
| Payments for federal grant programs | **(190,936)** | (181,044) |
| Principal paid on bonds | **(266,044)** | (231,565) |
| Principal paid on notes payable | **(59)** | (58) |
| Interest paid on short-term debt | **(12,658)** | (13,943) |
| Interest rate swap settlements | **21,737** | 18,464 |
| Interest paid on bonds | **(184,843)** | (100,282) |
| Interest paid on notes payable | **(1,857)** | (1,476) |
| Net cash provided by noncapital financing activities | **1,001,909** | 1,237,755 |
| **Cash flows from capital and related financing activities:** | | |
| Purchase of capital assets | **(360)** | (544) |
| Net cash used in capital and related financing activities | **(360)** | (544) |
| **Cash flows from investing activities:** | | |
| Proceeds from maturities and sales of investments | **4,494,396** | 4,761,825 |
| Purchase of investments | **(5,406,288)** | (5,957,182) |
| Income received from investments | **187,442** | 106,355 |
| Net cash used in capital and related financing activities | **(724,450)** | (1,089,002) |
| **Net increase (decrease) in cash** | **37,354** | (3,873) |
| Cash at beginning of year | **169,745** | 173,618 |
| Cash at end of year | **$ 207,099** | $ 169,745 |
| Restricted | **$ 192,120** | $ 155,828 |
| Unrestricted | **14,979** | 13,917 |
| Cash, end of year | **$ 207,099** | $ 169,745 |

*Continued on the next page*

# Colorado Housing and Finance Authority

## Statement of Cash Flows *(continued)*

**For the years ended December 2024 and 2023**

***(in thousands of dollars)***

| | 2024 | 2023 |
|---|---|---|
| **Reconciliation of operating income to net cash provided by (used in) operating activities:** | | |
| Net operating income | **$ 44,237** | $ 73,096 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | |
| Depreciation expense | **1,169** | 1,071 |
| Amortization and fair value adjustments of service release premiums | **11,617** | 10,081 |
| Proportionate share of net pension and OPEB expense | **(2,448)** | 1,979 |
| Amortization of derivatives related borrowings | **(1,071)** | (774) |
| Provision for loan losses | **543** | 10,065 |
| Interest on investments | **(196,706)** | (115,781) |
| Interest on debt | **198,214** | 127,444 |
| Unrealized gain on investment derivatives | **(2,034)** | (358) |
| Unrealized (gain) loss on investments | **10,005** | (51,099) |
| Gain on sale of real estate owned | **(29)** | (27) |
| Gain on sale of loans receivable held for sale | **(17,358)** | (19,276) |
| Changes in assets and liabilities: | | |
| Loans receivable and other real estate owned | **(312,692)** | (170,670) |
| Accrued interest receivable on loans and investments | **(2,285)** | 228 |
| Other assets | **(20,244)** | (45,603) |
| Accounts payable and other liabilities | **49,337** | 27,542 |
| Net cash used in operating activities | **$ (239,745)** | $ (152,082) |

*See accompanying notes to basic financial statements.*

# notes to basic financial statements

## 1) Organization and Summary of Significant Accounting Policies

### (a) Authorizing Legislation and Reporting Entity

***Authorizing Legislation*** - The Colorado Housing and Finance Authority (the Authority) is a body corporate and a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Housing and Finance Authority Act, Title 29, Article 4, Part 7 of the Colorado Revised Statutes (C.R.S. or the Statutes), as amended (the Act). The Authority is not a state agency and is not subject to administrative direction by the State. The governing body of the Authority is its Board of Directors (the Board). Operations of the Authority commenced in 1974. The Authority is not a component unit of the State or any other entity.

The Authority was created for the purpose of making funds available to assist private enterprise and governmental entities in providing housing facilities for lower- and moderate-income families. Under the Act, the Authority is also authorized to finance projects and working capital loans to industrial and commercial enterprises (both for-profit and nonprofit) of small and moderate size.

In 1992, Colorado voters approved an amendment to the State Constitution, Article X, Section 20, which, among other things, imposes restrictions on increases in revenue and expenditures of state and local governments (known as the Taxpayer Bill of Rights or TABOR). In the opinion of its bond counsel, the Authority is a "special purpose authority", not part of the "State" under C.R.S. § 24-77-102(15) and (16), and not a "district" as defined in TABOR and is therefore exempt from its provisions.

In 2001, the Colorado state legislature repealed the limitation on the amount of debt that the Authority can issue as well as removed the moral obligation of the State on future debt issues of the Authority. The bonds, notes and other obligations of the Authority do not constitute debt of the State.

***Lending and Housing Programs –*** The Authority accounts for its lending and operating activities in the following groups:

***General Program –*** The General Program is the Authority's primary operating program. It accounts for assets, deferred outflows, liabilities, deferred inflows, revenues and expenses not directly attributable to a bond program. Most of the bond resolutions of the programs permit the Authority to make cash transfers to the general accounts after establishing reserves required by the bond resolutions. The general accounts financially support the bond programs when necessary. The general accounts include proprietary loan programs developed by the Authority to meet the needs of low- and moderate-income borrowers not served by traditional lending programs. The general accounts also include administrative activities related to the federal government's Section 8 housing assistance payments program.

***Single Family Program –*** The Single Family Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of single family bond issues include Federal Housing Administration (FHA), conventional, United States Department of Agriculture (USDA) Rural Development, Rural Economic and Community Development Department (RD), and Veterans Administration (VA) loans made under various loan programs.

***Multifamily/Business Program –*** The Multifamily/Business Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of multifamily and business (sometimes referred to as project) bond issues include loans made for the purchase, construction or rehabilitation of multifamily rental housing. In addition, business loans are made to both for-profit and nonprofit organizations primarily for the purpose of acquisition or expansion of their facilities or for the purchase of equipment.

**(b) Basis of Accounting**

The Authority presents its financial statements in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). For financial purposes, the Authority is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

**(c) Summary of Significant Accounting Policies**

***Estimates –*** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Significant estimates to the Authority's financial statements include the allowance for loan losses, MSRs, interest rate swap agreements and fair value estimates. Actual results could differ from those estimates.

***Cash and Restricted Cash –*** The Authority's cash and cash equivalents are represented by cash on hand and demand deposits held in banks. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits.

***Restricted Assets –*** Amounts related to Single Family and Multifamily/Business Programs are considered restricted and are detailed in the supplemental schedules. Restricted assets are held for the benefit of respective bondholders and accounted for by program. Certain other assets are held on behalf of various governmental housing initiatives or regulations.

***Investments –*** Investments of the Authority, representing those investments which are held as reserves under indenture or other restrictions, are reported at either amortized cost or fair value based on values obtained from third-party pricing services. The values are based on quoted market prices when available or on adjusted value in relation to observable prices on similar investments. Money market investments are reported at amortized cost. Investment amounts related to Single Family and Multifamily/Business Programs are considered restricted and are detailed in the supplemental schedules.

***Loans Receivable –*** Mortgage loans receivable are reported at their unpaid principal balance net of an allowance for estimated loan losses. Loans related to Single Family and Multifamily/Business Programs are considered restricted and are detailed in the supplemental schedules.

***Loans Receivable Held for Sale –*** Loans originated or acquired and intended for sale in the secondary market are carried at the lower of cost or fair value. Gains and losses on loan sales (sales proceeds minus carrying value) are reported as other operating income.

***Allowance for Loan Losses –*** The allowance for loan losses is a reserve against current operations based on management's estimate of expected loan losses. Management's estimate considers such factors as the payment history of the loans, the projected cash flows of the borrowers, estimated value of the collateral, subsidies, guarantees, mortgage insurance, historical loss experience for each loan type, additional guarantees provided by the borrowers and economic conditions. Based on review of these factors, a total reserve amount is calculated and a provision is made against current operations to reflect the estimated balance.

***Troubled Debt Restructuring –*** A restructuring of a debt constitutes a troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Whatever the form of concession granted by the creditor to the debtor in a troubled debt restructuring, the creditor's

objective is to make the best of a difficult situation. That is, the creditor expects to obtain more cash or other value from the debtor, or to increase the probability of receipt, by granting the concession than by not granting it.

Interest income is recognized using the new interest rate after restructuring, which approximates the effective interest rate. Additional information is disclosed in the loans receivable note. See note 3.

***Capital Assets –*** Capital assets are defined by the Authority as assets with an initial, individual cost of $10 thousand or greater and an estimated life of greater than one year. Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives, which are 30 years for buildings and from 3 to 10 years for furniture and equipment.

***Other Noncurrent Assets –*** Other noncurrent asset balances as of December 31, 2024 and 2023, were $146.2 million and $133.1 million, respectively. Included in these amounts are mortgage servicing rights of $134.6 million and $120.9 million as of December 31, 2024 and 2023, respectively, related to loans sold by the Authority for which the Authority retained the mortgage servicing. These mortgage servicing rights are reported at the lower of cost or fair value.

The Authority did not record any fair market value adjustments on mortgage servicing rights as of December 31, 2024 and 2023, respectively. When cost exceeds fair value, the adjustments are reported in general operating expense on the Statement of Revenues, Expenses and Changes in Net Position.

***Bonds –*** Bonds payable are general and limited obligations of the Authority and are not a debt or liability of the State or any subdivisions thereof. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, moneys, investments, mortgage loans, and other assets in the accounts of the program to which the bonds relate. Virtually all of the Authority's loans and investments are pledged as security for the bonds. The provisions of the applicable trust indentures require or allow for redemption of bonds through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and program certificates. All outstanding bonds are subject to redemption at the option of the Authority, in whole or in part at any time after certain dates, as specified in the respective series indentures.

The Authority issues fixed rate and variable rate bonds. The rate on the fixed rate bonds is set at bond closing. The variable rate bonds bear interest at either a monthly or a weekly rate until maturity or earlier redemption. For bonds that pay weekly rates, the remarketing agent for each bond issue establishes the weekly rate according to each indenture's remarketing agreement. The weekly rates are communicated to the various bond trustees for preparation of debt service payments. The weekly rate, as set by the remarketing agent, allows the bonds to trade in the secondary market at a price equal to 100% of the principal amount of the bonds outstanding, with each rate not exceeding maximum rates permitted by law.

The Authority has variable rate demand bonds that have Stand-by Purchase Agreements (SBPA), which state that the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in marketing the bonds. In this event, the interest rate paid by the Authority will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of 90 days, they are deemed to be "bank bonds" and the Authority is required to repurchase the bonds from the SBPA issuer. The timing of this repurchase, or term out, will vary by issuer from two to five years.

***Bond Discounts and Premiums –*** Discounts and premiums on bonds payable are amortized to interest expense over the lives of the respective bond issues using the effective interest method.

***Debt Refundings –*** For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter. The difference is amortized using the effective interest method, with the exception of the amount relating to deferred loss on terminated interest rate swap hedging relationships, which is amortized on a straight-line basis. The deferred refunding amounts are classified as a component of deferred outflows on the Statement of Net Position.

***Derivative Instruments –*** Derivative instruments, as defined in GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, are measured on the Statement of Net Position at fair value. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB No. 53 are reported as deferred inflows and outflows. Changes in fair value of investment derivative instruments, which are ineffective derivative instruments, are reported within investment derivative activity loss starting in the period of change.

***Derivative Instruments – Interest Rate Swap Agreements –*** The Authority enters into interest rate swap agreements (swap) with rated swap counterparties in order to (1) provide lower cost fixed rate financing for its loan production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The interest differentials to be paid or received under such swaps are recognized as an increase or decrease in interest expense of the related bond liability. The Authority enters into fixed payor swaps, where it pays a fixed interest rate in exchange for receiving a variable interest rate from the counterparty. The variable interest rate may be based on either a taxable or tax-exempt index. By entering into a swap agreement, the Authority hedges its interest rate exposure on the associated variable rate bonds. The Authority's interest rate swaps are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments. Additional information about the swap agreements is provided in note 8.

***Derivative Instruments – Forward Sales Contracts –*** Forward sales of mortgage backed securities within the To-Be-Announced market are utilized to hedge changes in fair value of mortgage loan inventory and commitments to purchase mortgage loans at fixed rates. As of December 31, 2024, the Authority had executed 11 forward sales transactions with a $69.0 million notional amount with five counterparties with concentrations and ratings (Standard and Poor's/Moody's Investors Service) as shown in note 8. The forward sales will all settle by February 13, 2025. These contracts were considered investment derivative instruments and carried a fair value of $(166) thousand as of December 31, 2024. As of December 31, 2023, the Authority had executed 14 forward sales transactions with a $92.0 million notional amount with seven counterparties with concentrations and ratings (Standard and Poor's/Moody's Investors Service) as shown in note 8. The forward sales will all settle by March 13, 2024. These contracts were considered investment derivative instruments and carried a fair value of $747 thousand as of December 31, 2023.

***Hybrid Instrument Borrowings –*** Hybrid instrument borrowings represent cash premiums received on interest rate swaps that had a fair value other than zero at the date of execution, generally because the fixed rates were different from market rates at that date. Interest expense is imputed on these borrowings, which are reported at amortized cost.

***Net Pension Liability –*** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) of the Public Employee's Retirement Association of Colorado (PERA) pension plan and additions to/deductions from PERA's FNP have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

***Post Employment Benefits Other than Pension (OPEB) –*** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the FNP of the OPEB Plan and additions to/deductions from the plan FNP have been determined on the same basis as they are reported by PERA. For this purpose, PERA recognizes benefit payments when due and payable in accordance with the benefit terms.

***Other Liabilities –*** The major other liabilities are as follows:

- *Servicing escrow:* The net amount of collected escrow funds currently being held on behalf of borrowers to pay future obligations of property taxes and insurance premiums due on real properties. The Authority has a corresponding asset that is recorded in restricted cash.
- *Deferred Low Income Housing Tax Credit Income:* Compliance monitoring fees collected in advance on multifamily properties that have been awarded low-income housing tax credits to be used over a 15-year period. These fees

cover the ongoing cost the Authority incurs to certify that these properties remain low-income compliant during the 15-year period and continue to be eligible to use the tax credits awarded.

- *Compensated Absences:* Employees accrue paid time off at a rate based on length of service. Employees may accrue and carry over a maximum of 150% of their annual paid time off benefit. The liability for compensated absences is based on current salary rates and is reported in the Statement of Net Position.
- *Federal Financing Bank (FFB) Program:* Certificates of Participation of multifamily loans are sold to FFB and entitles FFB to a portion of interest and 100% of principal received from participated mortgage loans. The Authority has a corresponding asset that is recorded in loans receivable.

***Classification of Revenues and Expenses –*** The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are interest income on loans, gain on sale of loans and investment income. The Authority also recognizes revenues from rental operations and other revenues, which include loan servicing fees and other administrative fees. Operating expenses include interest expense, administrative expenses, depreciation, and the provision for loan losses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority's nonoperating revenues and expenses consist primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's (HUD) Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid to the Authority by federal subsidy.

***New Accounting Principles –*** GASB issued Statement No. 99 *Omnibus 2022* which has varying effective dates for different components. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The adoption of these components during the year ended December 31, 2024, had no impact on the Authority's financial statements.

GASB issued Statement No. 100 *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62,* which is effective for accounting changes and error corrections made in fiscal years after June 15, 2023. The primary objective

of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this Statement during the year ended December 31, 2024, had no impact on the Authority's financial statements.

GASB issued Statement No. 101 *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The adoption of this Statement during the year ended December 31, 2024, had no impact on the Authority's financial statements.

***Future Accounting Principles –*** GASB issued Statement No. 102 *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The impact of the applicability of Statement No. 102 on the Authority's financial statements, and footnotes therein, has not yet been determined.

GASB issued Statement No. 103 *Financial Reporting Modeling Improvements*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The impact of the applicability of Statement No. 103 on the Authority's financial statements, and footnotes therein, has not yet been determined.

GASB issued Statement No. 104 *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures as required by Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The objective of Statement No. 104 is to provide users of government financial statements with essential information about certain types of capital assets. The impact of the applicability of Statement No. 104 on the Authority's financial statements, and footnotes therein, has not yet been determined.

**(2) Cash and Investments**

***Cash and Cash Equivalents –*** The Authority's cash and cash equivalents are reported as either restricted or unrestricted and are represented by cash on hand and demand deposits held in banks. Cash is classified as restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits. As of December 31, 2024 and 2023, the Authority had unrestricted cash of $15.0 million and $13.9 million, respectively.

Restricted cash as of December 31, was as follows:

| Summary of Restricted Cash | 2024 | 2023 |
|---|---|---|
| Customer escrow accounts | $ 132,432 | $ 107,081 |
| Payments in process | 20,734 | 10,609 |
| Administered program deposits | 38,954 | 38,138 |
| Total fair value | $ 192,120 | $ 155,828 |

***Custodial Credit Risk – Cash Deposits*** – In the case of cash deposits, custodial credit risk is the risk that in the event of a bank failure, cash deposits belonging to the Authority may not be returned. All deposit accounts were either covered by the Federal Deposit Insurance Corporation or fully collateralized in accordance with the State of Colorado's Division of Banking's Public Deposit Protection Act.

Included in cash deposits are escrow deposits in the amount of $132.4 million and $107.1 million as of December 31, 2024 and 2023, respectively. These escrow deposits, included in other current liabilities on the statement of net position, are primarily held for the payment of property taxes and insurance on behalf of the mortgagors whose loans are owned or serviced by the Authority.

***Investments*** – The Authority is authorized by means of a Board-approved investment policy to invest in notes, bonds and other obligations issued or guaranteed by the U.S. government and certain governmental agencies. Additionally, the Authority is permitted to invest, with certain restrictions as to concentration of risk, collateralization levels, maximum periods to maturity, and/or underlying rating levels applied, in revenue or general obligations of states and their agencies, certificates of deposits, U.S. dollar denominated corporate or bank debt, commercial paper, repurchase agreements backed by U.S. government or agency securities, money market mutual funds and investment agreements. The Authority's investment policy requires 1) staggered maturities to avoid undue concentrations of assets in a specific maturity sector, 2) stable income, 3) adequate liquidity to meet operations and debt service obligations and 4) diversification to avoid overweighting in any one type of security. The Authority is also subject to permissible investments as authorized by Title 24, Article 75, Part 6 of the Statutes. Permissible investments pursuant to the Statutes are either identical to or less restrictive than the Authority's investment policy. In addition, each of the trust indentures established under the Authority's bond programs contains requirements as to permitted investments of bond fund proceeds, which may be more or less restrictive than the Authority's investment policy. These investments are included in the disclosures below under State and political subdivision obligations.

General Program investments of $47.0 million as of December 31, 2024 consisted of securities pledged with Federal Home Loan Bank (FHLB).

General Program investments of $38.3 million include investments pledged as of December 31, 2023 as follows: $16.2 million in interest only strips held at Wells Fargo and $22.0 million in pledged securities with FHLB.

All Single Family and Multifamily/Business Program investments, which total $4.1 billion and $3.2 billion as of December 31, 2024 and 2023, respectively, are restricted under bond indentures or other debt agreements, or otherwise pledged as collateral for borrowings. These amounts are detailed in the supplemental schedules.

***Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Except for the money market mutual fund investments, substantially all of the Authority's investments are subject to this risk.

As of December 31, 2024, the Authority had the following investment maturities:

| | Investment Maturities (In Years) | | | | |
|---|---|---|---|---|---|
| Investment Type | Less Than 1 | 1-5 | 6-10 | More Than 10 | Total |
| Investment agreements - uncollateralized | $ 19,308 | $ - | $ - | $ - | $ 19,308 |
| Money market fund | 439,865 | - | - | - | 439,865 |
| Repurchase agreement | 8,038 | - | - | 2,469 | 10,507 |
| U.S. government agencies | 46,949 | 9,045 | 13,846 | 3,617,847 | 3,687,687 |
| U.S. Treasury | - | - | 5,046 | - | 5,046 |
| Total | $ 514,160 | $ 9,045 | $ 18,893 | $ 3,620,316 | $ 4,162,413 |

As of December 31, 2023, the Authority had the following investment maturities:

| | Investment Maturities (In Years) | | | | |
|---|---|---|---|---|---|
| Investment Type | Less Than 1 | 1-5 | 6-10 | More Than 10 | Total |
| Investment agreements - uncollateralized | $ 23,358 | $ - | $ - | $ - | 23,358 |
| Money market fund | 500,044 | - | - | - | 500,044 |
| Repurchase agreement | 10,130 | - | - | 2,469 | 12,599 |
| U.S. government agencies | 22,042 | - | 23,864 | 2,669,388 | 2,715,294 |
| U.S. Treasury | - | - | 5,103 | - | 5,103 |
| Total | $ 555,574 | $ - | $ 28,967 | $ 2,671,857 | $ 3,256,398 |

***Credit Risk*** – The following table provides credit ratings of the Authority's investments as determined by Standard and Poor's and/or Moody's Investors Service.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Investment Type | Rating | Total | Rating | Total |
| Investment agreements - uncollateralized | AA+/Aa3 | $ 13,151 | AA+/Aa3 | $ 17,427 |
| Investment agreements - uncollateralized | A/A1 | - | A/A1 | 5,931 |
| Investment agreements - uncollateralized | A+/A1 | 6,157 | A+/A1 | - |
| Money market mutual fund | AAAm/Aaa-mf | 439,865 | AAAm/Aaa-mf | 500,044 |
| Repurchase agreements | AA+/Aaa | 10,507 | AA+/Aaa | 12,599 |
| U.S. government agencies | AA+/Aaa | 3,687,687 | AA+/Aaa | 2,715,294 |
| U.S. Treasury | AA+/Aaa | 5,046 | AA+/Aaa | 5,103 |
| Total | | $ 4,162,413 | | $ 3,256,398 |

Investment agreements meet the requirements of the rating agency providing the rating on the related debt issue and of the Board's investment policy. The Board's investment policy states that the Authority is empowered to invest in any security that

is a revenue or general obligation of any political subdivision. The credit rating at the time of purchase must be rated in one of its two highest rating categories by one or more nationally recognized organizations, which regularly rate such obligations and concentration limits may not exceed more than 20% of the investment portfolio.

***Concentration of Credit Risk –*** The Authority has various maximum investment limits both by type of investment and by issuer to prevent inappropriate concentration of credit risk. The following table provides information on issuers in which the Authority has investments representing more than 5% of its total investments as of December 31, 2024 and 2023.

| Issuer | 2024 | 2023 |
|---|---|---|
| GNMA | 85.43% | 81.64% |
| Goldman Sachs | 7.71% | 11.89% |

***Custodial Credit Risk – Investments –*** Custodial credit risk is the risk that, in the event of the failure of the custodian, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of the custodian. All securities owned by the Authority are either in the custody of the related bond indenture trustees or held in the name of the Authority by a party other than the issuer of the security.

**(3) Loans Receivable, Related Allowances and Troubled Debt Restructuring**

Loans receivable and loans receivable held for sale at December 31, consisted of the following:

| | 2024 | 2023 |
|---|---|---|
| General Program | $ 880,436 | $ 754,520 |
| Single Family Program | 381,882 | 283,108 |
| Multifamily/Business Program: | | |
| Multifamily/Project | 632,786 | 532,563 |
| Multifamily Pass Through | 81,078 | 85,435 |
| Total Multifamily/Business Program | 713,864 | 617,998 |
| Less intercompany loans, included in Multifamily/Project above | (38,560) | (39,434) |
| Total loans receivable | 1,937,622 | 1,616,192 |
| Payments in process | (8,990) | (2,974) |
| Allowance for loan losses | (13,665) | (16,617) |
| Total loans receivable, net | $ 1,914,967 | $ 1,596,601 |

Loans in the Single Family Program and the Multifamily/Business Program in the table above are grouped based on the related bond type (see note 6 for additional information). Amounts related to these programs are considered restricted and are detailed in the supplemental schedules.

General Program loans include single family, multifamily and business finance loans acquired under various programs of the General Program, loans to be sold through the issuance of Ginnie Mae securities, loans to be sold to Fannie Mae and Freddie Mac, loans to be pooled and swapped for securities issued by Fannie Mae, loans held as investments and loans backed by bonds within the General Program. These loans are typically collateralized by mortgages on real property and improvements. Certain of these loans are also insured or guaranteed by agencies of the U.S. government.

Single family bond program loans are collateralized by mortgages on applicable real property and, in the case of loans with an initial loan-to-value ratio of 80% or more, are generally either insured by the FHA or guaranteed by the VA or RD or insured by private mortgage insurance.

The single family loan portfolio included in the general and single family programs as of December 31, 2024 was comprised of $514.5 million of FHA insured loans, $11.1 million of VA guaranteed loans, $4.9 million of RD guaranteed loans and $50.3 million of conventional insured loans with the balance of $503.4 million made up of uninsured conventional and second mortgage loans.

The single family loan portfolio included in the general and single family programs as of December 31, 2023 was comprised of $442.3 million of FHA insured loans, $10.9 million of VA guaranteed loans, $6.0 million of RD guaranteed loans and $46.7 million of conventional insured loans with the balance of $448.0 million made up of uninsured conventional and second mortgage loans.

The Authority is exposed to operational risk, which makes it subject to loss or repurchase of insured FHA loans if specific guidelines are not met. As of December 31, 2024 and 2023, the Authority recorded a reserve of $252 thousand and $180 thousand, respectively, for claim refunds to be paid to the HUD.

As of December 31, 2024 and 2023, single family mortgage loans with pending foreclosure actions have aggregate principal balances of approximately $27.2 million and $11.2 million, respectively. As of December 31, 2024 and 2023, the aggregate principal balance of single family mortgage loans delinquent 91 days or greater was approximately $173.1 million and $70.5 million, respectively.

The Multifamily/Business Program loans and a portion of General Program loans are commercial loans. Commercial loans are collateralized by mortgages on applicable real estate and, in some cases, are insured by an agency of the U.S. government, which reduces the credit risk exposure for that type of insured loan.

As of December 31, 2024, approximately $528.3 million, or 72.7%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $396.9 million of Section 542(c) risk share loans, which are 50% insured.

As of December 31, 2023, approximately $468.1 million, or 75.7%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $301.3 million of Section 542(c) risk share loans, which are 50% insured.

As of December 31, 2024 and 2023, there were no commercial loans with pending foreclosure actions. As of December 31, 2024 and 2023, the aggregate principal balance of commercial loans delinquent 91 days or greater was approximately $17 thousand and $200 thousand, respectively.

Activity in the allowance for loan loss for the years ended December 31, was as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 16,617 | $ 8,922 |
| Provision | 542 | 10,065 |
| Net charge-offs | | |
| Single Family | (2,745) | (1,927) |
| Multifamily/Business | (749) | (443) |
| Ending balance | $ 13,665 | $ 16,617 |

The Authority services loans that it securitizes as Ginnie Mae mortgage-backed securities and sells. As of December 31, 2024 and 2023, these loans totaled $8.7 billion and $8.1 billion, respectively.

The Authority services loans on the behalf of others, primarily for Fannie Mae and Freddie Mac, which are not reported on the Statement of Net Position. As of December 31, 2024 and 2023, these outstanding loan balances were $2.2 billion and $1.8 billion, respectively.

The Authority has granted terms and interest rate concessions to debtors, which are considered troubled debt restructurings, as of December 31, as summarized below:

| **Single Family Program Loans:** | **2024** | **2023** |
|---|---|---|
| Aggregate recorded balance | $ 102,564 | $ 79,965 |
| Number of loans | 558 | 477 |
| Gross interest revenue if receivables had been current | $ 5,887 | $ 4,072 |
| Interest revenue included in changes in net position | $ 3,936 | $ 3,033 |

| **Multifamily/Business Program Loans:** | **2024** | **2023** |
|---|---|---|
| Aggregate recorded balance | $ 3,277 | $ 3,421 |
| Number of loans | 5 | 5 |
| Gross interest revenue if receivables had been current | $ 148 | $ 160 |
| Interest revenue included in changes in net position | $ 141 | $ 165 |

## (4) Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| **Nondepreciable capital assets:** | | | | |
| Land | $ 1,573 | $ - | $ - | $ 1,573 |
| Construction in progress | 375 | 360 | (471) | 264 |
| Total nondepreciable capital assets | 1,948 | 360 | (471) | 1,837 |
| **Depreciable capital assets:** | | | | |
| Cost: | | | | |
| Computer equipment/software | 7,606 | 381 | - | 7,987 |
| Furniture and equipment | 3,139 | 90 | - | 3,229 |
| Buildings and related improvements | 13,736 | - | - | 13,736 |
| Total depreciable capital assets | 24,481 | 471 | - | 24,952 |
| Less accumulated depreciation: | | | | |
| Computer equipment/software | (7,181) | (362) | - | (7,543) |
| Furniture and equipment | (1,596) | (438) | - | (2,034) |
| Buildings and related improvements | (6,249) | (370) | - | (6,619) |
| Total accumulated depreciation | (15,026) | (1,170) | - | (16,196) |
| Total depreciable capital assets, net | 9,455 | (699) | - | 8,756 |
| Total capital assets, net | $ 11,403 | $ (339) | $ (471) | $ 10,593 |

Capital asset activity for the year ended December 31, 2023 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| **Nondepreciable capital assets:** | | | | |
| Land | $ 1,573 | $ - | $ - | $ 1,573 |
| Construction in progress | 576 | 544 | (745) | 375 |
| Total nondepreciable capital assets | 2,149 | 544 | (745) | 1,948 |
| **Depreciable capital assets:** | | | | |
| Cost: | | | | |
| Computer equipment/software | 8,465 | - | (859) | 7,606 |
| Furniture and equipment | 2,394 | 745 | - | 3,139 |
| Buildings and related improvements | 13,736 | - | - | 13,736 |
| Total depreciable capital assets | 24,595 | 745 | (859) | 24,481 |
| Less accumulated depreciation: | | | | |
| Computer equipment/software | (7,678) | (362) | 859 | (7,181) |
| Furniture and equipment | (1,257) | (339) | - | (1,596) |
| Buildings and related improvements | (5,878) | (371) | - | (6,249) |
| Total accumulated depreciation | (14,813) | (1,072) | 859 | (15,026) |
| Total depreciable capital assets, net | 9,782 | (327) | - | 9,455 |
| Total capital assets, net | $ 11,931 | $ 217 | $ (745) | $ 11,403 |

**(5) Short-Term Debt**

The Authority has an agreement with the FHLB for collateralized borrowings in an amount not to exceed the lending limit internally established by the FHLB, which is 40% of the Authority's total assets, or $2.6 billion. Amounts drawn under the agreement bear interest at the same rates charged by the FHLB to its member banks and are collateralized by certain mortgage loans and investments. As of December 31, 2024 and 2023, the Authority had $104.6 million and $94.5 million of short-term debt outstanding with the FHLB.

The Authority has a revolving, unsecured, commercial bank line of credit agreement for borrowings of up to $75.0 million. Amounts drawn under the agreement bear interest fixed at a spread above one-month Term Secured Overnight Financing Rate (SOFR). This line of credit agreement terminates on April 30, 2025. The Authority pays an unused line fee, payable in arrears on the first business day after each calendar quarter. The fee is based upon the average daily unused amount of the line of credit computed on the basis of a 360-day year. As of December 31, 2024 and 2023, the Authority had $75.0 million and $15.0 million of short-term debt outstanding on this agreement.

During 2023, the Authority had a revolving, unsecured, commercial bank line of credit agreement for borrowings of up to $250.0 million. In 2024, the Authority increased the limit on the line of credit to $400.0 million. Amounts drawn under the agreement bear interest fixed at a spread above the Daily Simple SOFR. This line of credit agreement terminates on December 3, 2025. The Authority pays an unused line fee based upon the daily available balance, and is payable in arrears

on the first business day after each calendar quarter. As of December 31, 2024 and 2023, the Authority had $147.5 million and $97.0 million of short-term debt outstanding on this agreement.

Borrowings under these agreements are used to support the Authority's various lending programs, to purchase loans to be sold through the issuance and sale of Ginnie Mae and Fannie Mae securities, to provide additional liquidity for Ginnie Mae loan buyouts and for activities related to the Authority's private activity bond volume cap preservation program. There are no commitment fees associated with these agreements.

Short-term debt activity for the years ended December 31, was as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 206,502 | $ 162,998 |
| Additions | 7,477,088 | 7,503,768 |
| Reductions | (7,356,456) | (7,460,264) |
| Ending balance | $ 327,134 | $ 206,502 |

**(6) Bonds, Notes Payable and Other Liabilities**

The Authority issues bonds and notes payable to finance its lending programs. Proceeds from long-term debt of the Single Family and Multifamily/Business bonds are used for funding of single family, multifamily and business loans. Long-term debt of the General Program (including notes payable) is used to finance single family and business loans. The aggregate principal amounts of bonds and notes payable outstanding as of December 31, 2024 and 2023 are shown in the table on the following pages. Interest is payable semiannually unless otherwise noted. Interest rates on variable rate debt reset on a weekly or monthly basis. At December 31, 2024, these rates ranged from 3.50% to 4.60%. At December 31, 2023, these rates ranged from 3.75% to 5.43%.

**Outstanding Bonds as of December 31:**

| Descripton and due date | | Interest rate (%) | 2024 | 2023 |
|---|---|---|---|---|
| **Bonds payable:** | | | | |
| **Single Family Fund:** | | | | |
| 2001 Series AA | 2025 - 2041 | Variable | $ 24,495 | $ 29,055 |
| 2014 Series A | 2025 - 2027 | 3.53 | 1,675 | 2,370 |
| 2015 Series A | 2025 - 2027 | 2.97 - 3.19 | 5,995 | 9,260 |
| 2015 Series B | 2025 - 2025 | 3.20 - 3.27 | 445 | 1,055 |
| 2017 Series A | 2025 - 2047 | 3.00 | 7,117 | 8,228 |
| 2017 Series B | 2025 - 2034 | Variable | 7,110 | 7,765 |
| 2017 Series AA | 2025 - 2047 | 3.03 | 7,717 | 8,339 |
| 2017 Series CDE | 2025 - 2048 | Variable and 4.00 | 22,890 | 26,770 |
| 2018 Series AA | 2025 - 2048 | 3.70 | 13,561 | 15,140 |
| 2018 Series AB | 2025 - 2048 | Variable and 4.00 | 25,040 | 29,885 |
| 2018 Series C | 2025 - 2048 | 2.60 - 4.25 | 15,150 | 18,340 |
| 2018 Series D | 2025 - 2029 | 3.40 - 3.81 | 11,355 | 13,575 |
| 2018 Series BB | 2025 - 2048 | 4.20 - 4.50 | 16,725 | 19,852 |
| 2019 Series ABC | 2025 - 2049 | Variable and 4.25 - 4.75 | 28,915 | 31,385 |
| 2019 Series DE | 2025 - 2049 | Variable and 2.15 - 4.25 | 54,190 | 65,440 |
| 2019 Series FG | 2025 - 2049 | Variable and 2.05 - 4.25 | 37,830 | 40,970 |
| 2019 Series HI | 2025 - 2049 | Variable and 2.40 - 4.25 | 42,860 | 48,775 |
| 2019 Series AA | 2025 - 2049 | 3.18 | 15,690 | 18,119 |
| 2019 Series BB | 2025 - 2049 | 2.85 - 3.60 | 12,964 | 16,033 |
| 2019 Series JKL | 2025 - 2050 | Variable and 1.70 - 4.00 | 54,390 | 61,400 |
| 2019 Series CC | 2025 - 2050 | 2.91 | 15,632 | 17,760 |
| 2020 Series ABC | 2025 - 2050 | Variable and 2.00 - 3.75 | 60,985 | 67,165 |
| 2020 Series AA | 2025 - 2050 | 2.35 | 21,557 | 23,650 |
| 2020 Series BB | 2025 - 2050 | 2.60 | 17,025 | 18,867 |
| 2020 Series DEF | 2025 - 2050 | Variable and 1.20 - 3.50 | 71,630 | 78,210 |
| 2020 Series GHI | 2025 - 2050 | Variable and 0.60 - 3.00 | 94,615 | 102,385 |
| 2021 Series ABC | 2025 - 2051 | Variable and 0.45 - 3.00 | 93,600 | 101,815 |
| 2021 Series DEF | 2025 - 2051 | 0.65 - 3.00 | 65,286 | 71,889 |
| 2021 Series GHIJ | 2025 - 2051 | Variable and 0.50 - 3.00 | 107,595 | 115,376 |
| 2021 Series KLM | 2025 - 2051 | Variable and 0.63 - 3.25 | 108,425 | 114,225 |
| 2022 Series ABC | 2025 - 2052 | Variable and 1.30 - 3.25 | 110,990 | 116,865 |
| 2022 Series AA | 2025 - 2052 | 3.55 | 44,190 | 48,424 |
| 2022 Series D | 2025 - 2047 | Variable and 3.17 - 5.00 | 65,190 | 71,830 |
| 2022 Series BB | 2025 - 2052 | 4.65 - 4.80 | 42,247 | 48,463 |
| 2022 Series EFG | 2025 - 2052 | Variable and 2.70 - 5.25 | 90,160 | 97,550 |
| 2022 Series HI | 2025 - 2053 | Variable and 4.85 - 6.50 | 133,376 | 147,521 |
| 2022 Series JKL | 2025 - 2053 | Variable and 4.05 - 6.08 | 93,240 | 98,825 |
| 2023 Series AB | 2025 - 2053 | Variable and 4.30 - 6.00 | 116,894 | 127,620 |
| 2023 Series CDE | 2025 - 2053 | Variable and 3.10 - 5.75 | 93,865 | 99,375 |
| 2023 Series FG | 2025 - 2053 | Variable and 4.31 - 6.50 | 169,380 | 179,439 |

*Table continued on following page.*

| Descripton and due date | | Interest rate (%) | 2024 | 2023 |
|---|---|---|---|---|
| **Bonds payable:** | | | | |
| **Single Family Fund:** | | | | |
| 2023 Series HIJ | 2025 - 2053 | 4.00 - 6.00 | 117,295 | 124,800 |
| 2023 Series K | 2025 - 2053 | Variable and 5.04 - 6.50 | 193,390 | 199,990 |
| 2023 Series LM | 2025 - 2054 | Variable and 5.21 - 5.75 | 144,145 | 150,000 |
| 2023 Series N | 2025 - 2053 | Variable and 5.27 - 6.25 | 223,660 | 230,000 |
| 2023 Series OP | 2025 - 2054 | Variable and 5.52 - 6.50 | 147,990 | 150,000 |
| 2023 Series Q | 2025 - 2053 | Variable and 5.36 - 6.50 | 167,490 | 170,000 |
| 2024 Series A | 2025 - 2053 | Variable and 4.65 - 5.88 | 124,600 | - |
| 2024 Series B | 2025 - 2054 | Variable and 4.81 - 6.25 | 170,000 | - |
| 2024 Series C | 2025 - 2054 | Variable and 4.71 - 6.00 | 200,000 | - |
| 2024 Series D | 2025 - 2054 | Variable and 4.64 - 6.00 | 150,000 | - |
| 2024 Series E | 2025 - 2054 | Variable and 4.16 - 6.00 | 200,000 | - |
| 2024 Series F | 2025 - 2055 | Variable and 3.91 - 6.00 | 150,000 | - |
| 2024 Series G | 2025 - 2054 | Variable and 4.28 - 6.25 | 200,000 | - |
| Total Single Family Bonds | | | 4,210,566 | 3,243,800 |
| **Total Single Family Fund** | | | 4,210,566 | 3,243,800 |

| Descripton and due date | | Interest rate (%) | 2024 | 2023 |
|---|---|---|---|---|
| **Multifamily/Business Fund:** | | | | |
| 2000 Series A | 2024 - 2024 | Variable | - | 1,470 |
| 2007 Series B | 2025 - 2038 | Variable | 37,160 | 41,320 |
| 2008 Series A | 2025 - 2029 | Variable | 6,575 | 7,125 |
| 2008 Series B | 2025 - 2052 | Variable | 131,095 | 134,390 |
| 2009 Series A | 2025 - 2041 | Variable | 3,910 | 6,770 |
| 2012 Series A | 2025 - 2051 | 3.90 - 4.50 | 8,910 | 9,090 |
| 2013 Series I | 2025 - 2044 | 3.20 | 2,284 | 2,548 |
| 2016 Series A | 2025 - 2041 | 2.10 - 4.00 | 8,935 | 9,310 |
| 2016 Series I | 2025 - 2056 | 3.45 | 4,747 | 4,818 |
| 2016 Series II | 2025 - 2056 | 3.00 | 8,409 | 8,541 |
| 2016 Series III | 2025 - 2052 | 3.10 | 3,109 | 3,170 |
| 2016 Series IV | 2025 - 2056 | 3.13 | 5,984 | 6,077 |
| 2016 Series V | 2025 - 2045 | 3.40 | 7,768 | 10,883 |
| 2017 Series I | 2025 - 2057 | 3.85 | 9,530 | 9,652 |
| 2017 Series II | 2025 - 2057 | 3.76 | 6,166 | 6,245 |
| 2017 Series III | 2025 - 2057 | 3.75 | 8,873 | 8,985 |
| 2017 Series IV | 2025 - 2057 | 3.64 | 24,326 | 24,653 |
| 2018 Series A | 2025 - 2040 | Variable and 3.35 - 3.60 | 40,055 | 42,135 |
| 2019 Series A | 2025 - 2040 | 1.75 - 3.00 | 17,575 | 18,245 |
| 2019 Series B | 2025 - 2059 | 1.75 - 3.50 | 19,380 | 19,675 |
| 2019 Series C | 2025 - 2051 | Variable | 38,945 | 40,000 |
| 2020 Series A | 2025 - 2057 | Variable | 9,950 | 10,160 |
| 2020 Series B | 2025 - 2043 | 0.60 - 2.35 | 34,770 | 35,025 |
| 2020 Series C | 2025 - 2041 | 0.70 - 2.25 | 7,770 | 7,920 |

*Table continued on following page.*

| Descripton and due date | | Interest rate (%) | 2024 | 2023 |
|---|---|---|---|---|
| **Multifamily/Business Fund:** | | | | |
| 2020 Series D | 2025 - 2050 | Variable and 1.22 - 2.31 | 48,710 | 51,995 |
| 2020 Series E | 2025 - 2061 | 0.55 - 2.65 | 24,055 | 24,475 |
| 2021 Series A | 2025 - 2042 | 0.65 - 2.38 | 20,520 | 20,895 |
| 2021 Series B | 2024 - 2024 | 0.67 | - | 8,225 |
| 2021 Series C | 2025 - 2061 | 0.55 - 2.60 | 8,860 | 9,020 |
| 2021 Series E | 2025 - 2061 | 0.70 - 2.75 | 7,720 | 11,085 |
| 2023 Series A | 2025 - 2060 | 2.85 - 4.85 | 16,080 | 16,080 |
| 2023 Series BC | 2025 - 2066 | 3.25 - 5.08 | 22,610 | 22,610 |
| 2023 Series DE | 2025 - 2066 | 3.90 - 5.74 | 23,950 | 23,950 |
| 2023 Series F | 2025 - 2066 | 3.65 - 5.15 | 34,576 | 34,576 |
| 2024 Series A | 2025 - 2067 | 3.38 - 4.88 | 45,770 | - |
| 2024 Series B | 2025 - 2064 | 3.10 - 4.60 | 19,425 | - |
| 2024 Series CD | 2025 - 2067 | 3.13 - 4.80 | 62,600 | - |
| Total Multifamily/Project Bonds | | | 781,102 | 691,118 |
| **Total Multifamily/Business Fund** | | | 781,102 | 691,118 |
| **Total bonds payable** | | | 4,991,668 | 3,934,918 |
| **Premiums classified as bonds payable** | | | | |
| Bond premiums (unamortized) | | | 82,778 | 74,202 |
| **Bonds payable** | | | 5,074,446 | 4,009,120 |
| **Notes payable** | | | 436 | 495 |
| **Bonds and notes payable** | | | $ 5,074,882 | $ 4,009,615 |
| **Current:** | | | | |
| Bonds payable | | | $ 265,765 | $ 147,400 |
| Notes payable | | | 59 | 59 |
| **Noncurrent:** | | | | |
| Bonds and notes payable | | | 4,809,058 | 3,862,156 |
| **Total** | | | $ 5,074,882 | $ 4,009,615 |

A breakdown of bonds payable as of December 31, by fixed and variable interest rates, follows in the table below. Certain of the Authority's variable rate debt has been hedged by entering into pay fixed/receive variable rate interest rate swap agreements as further described in note 8. Such debt is referred to in the table as synthetic fixed rate debt.

| Description | 2024 | 2023 |
|---|---|---|
| Fixed rate debt | $ 3,570,598 | $ 2,763,033 |
| Synthetic fixed rate debt | 1,328,305 | 1,080,740 |
| Unhedged variable rate debt | 92,765 | 91,145 |
| Total | $ 4,991,668 | $ 3,934,918 |

Also included in the table of bonds and notes payable outstanding are certain Single Family and Multifamily/Project bonds, which carry the Authority's general obligation pledge. These general obligation bonds are presented in the following table as of December 31:

| Description | 2024 | 2023 |
|---|---|---|
| Single Family/Mortgage Bonds, Class III | $ 187,790 | $ 203,140 |
| Multifamily/Project Bonds, Class I | 36,240 | 38,085 |
| Multifamily/Project Bonds, Class II | 6,575 | 7,125 |
| Total | $ 230,605 | $ 248,350 |

SBPA's provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees vary by agreement and are based on a percentage of the outstanding bond balance, payable monthly or quarterly. If the liquidity agreements expire or the renewal or replacement efforts are unsuccessful for the liquidity agreements and the bonds are mandatorily redeemed, the bond's principal portion of the debt service requirements would increase by the respective amounts for the respective years as presented in the following schedule of providers and maturities as of December 31, 2024. During 2024 and 2023, the Authority renewed or replaced expiring liquidity facilities of $401.2 million and $124.9 million, respectively. Subsequent to year-end, the Authority renewed $74.3 million of expiring liquidity facilities. Liquidity fees for the years ended December 31, 2024 and 2023, were $3.8 million and $3.1 million, respectively.

A schedule of providers and maturities is presented below, as of December 31, 2024:

| Liquidity Expiration | Bank of America (1) | Barclays Capital (2) | FHLB (3)(4)(5)(6)(7) | Royal Bank of Canada (8)(9)(10) | TD Bank (11) | Grand Total |
|---|---|---|---|---|---|---|
| 2025 | $ 30,255 | $ 13,000 | $ 147,445 | $ - | $ - | $ 190,700 |
| 2026 | 37,500 | 61,950 | 269,035 | 44,745 | - | 413,230 |
| 2027 | 51,885 | - | 302,340 | 32,000 | 82,975 | 469,200 |
| 2028 | - | - | 46,370 | 95,620 | - | 141,990 |
| 2029 | - | - | - | 144,095 | 33,965 | 178,060 |
| 2030 | - | - | - | 27,890 | - | 27,890 |
| Total | $ 119,640 | $ 74,950 | $ 765,190 | $ 344,350 | $ 116,940 | $ 1,421,070 |

The following provides the terms of the debt service requirements that would result if the SBPA commitments were to be exercised (bank bond rate, accelerated payment schedule, and lien):

(1) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate," which equals the highest of (i) the Federal Funds Rate plus 2.00%, (ii) the Prime Rate plus 1.00% and (iii) 7.5%, then the Base Rate plus 1.00%.
(b) Term out provisions: repayments due 366 days following the purchase date and the first business day of every sixth month thereafter to the fifth anniversary of the purchase date with the first such payment being equal to 2/10ths of the outstanding principal amount of such Bank Bonds and each subsequent being equal to 1/10th of such amount. Class III lien/General Obligation.

(2) (a) Bank Rate: for the first 60 days following the purchase date, the "Base Rate," which equals the highest of (i) the Fed Funds Rate plus 2.50%, (ii) the Prime Rate plus 2.50%, (iii) 150% of the yield on actively traded 30-year United States Treasury Bonds and (iv) 8.00%; then for the period 61-120 days following the purchase date, the Base Rate plus 1.00%; then the Base Rate plus 2.00%.
(b) Term out provisions: repayments due 366 days following the purchase date and each six-month anniversary thereafter in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(3) (a) Bank Rate: SOFR Rate plus 2.115%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date.

(4) (a) Bank Rate: SOFR Rate plus 2.115% - 3.00%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(5) (a) Bank Rate: SOFR Rate plus 2.50%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(6) (a) Bank Rate: SOFR Rate plus 2.75%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(7) (a) Bank Rate: SOFR Rate plus 2.00%.
(b) Term out provisions: repayments due 90 days after the 366th calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(8) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.115%; then for the period 367 days and higher following the purchase date, the "Base Rate," which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 10.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(9) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.00%; then for the period 367 days and higher following the purchase date, the “Base Rate,” which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 10.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(10) (a) Bank Rate: for the first 366 days following the purchase date Daily SOFR plus 3.00%; then for the period 367 days and higher following the purchase date, the “Base Rate,” which equals the highest of (i) the Prime Rate plus 2.5%, (ii) the Federal Funds Rate plus 3.0% and (iii) 8.50%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following purchase date and thereafter quarterly on each such date in equal installments to the third anniversary of such purchase date. Class III lien/General Obligation.

(11) (a) Bank Rate: for the first 366 days following the purchase date the “Base Rate,” which equals the highest of (i) the Federal Funds Rate plus 2.0%, (ii) the Prime Rate plus 1.0% and (iii) 7.0%; then for the period 367 days and higher following the purchase date, the “Base Rate” plus 1.0%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 366 days following the earlier of (a) the purchase date or (b) the last day of the Purchase Period and thereafter quarterly on each such date in equal installments to the earlier of (a) the third anniversary of such purchase date or (b) the third anniversary of the last day of the Purchase Period. Class III lien/General Obligation.

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2024:

| Description | Beginning Balance | Additions | Reductions | Ending Balance | Current | Noncurrent |
|---|---|---|---|---|---|---|
| Bonds payable | $ 3,934,918 | $ 1,322,795 | $ (266,045) | $ 4,991,668 | $ 261,430 | $ 4,730,238 |
| Bond premiums - unamortized | 74,202 | 14,563 | (5,987) | 82,778 | 4,335 | 78,443 |
| Total bonds payable | 4,009,120 | 1,337,358 | (272,032) | 5,074,446 | 265,765 | 4,808,681 |
| Notes payable | 495 | - | (59) | 436 | 59 | 377 |
| Unearned revenue | 10,078 | 2,259 | (1,005) | 11,332 | 755 | 10,577 |
| Other liabilities | 49,880 | 28,235 | (1,647) | 76,468 | 1,053 | 75,415 |
| Total other liabilities | 59,958 | 30,494 | (2,652) | 87,800 | 1,808 | 85,992 |
| Total | $ 4,069,573 | $ 1,367,852 | $ (274,743) | $ 5,162,682 | $ 267,632 | $ 4,895,050 |

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2023:

| Description | Beginning Balance | Additions | Reductions | Ending Balance | Current | Noncurrent |
|---|---|---|---|---|---|---|
| Bonds payable | $ 2,635,763 | $ 1,530,720 | $ (231,565) | $ 3,934,918 | $ 144,672 | $ 3,790,246 |
| Bond premiums - unamortized | 56,782 | 22,320 | (4,900) | 74,202 | 2,728 | 71,474 |
| Total bonds payable | 2,692,545 | 1,553,040 | (236,465) | 4,009,120 | 147,400 | 3,861,720 |
| Notes payable | 553 | - | (58) | 495 | 59 | 436 |
| Unearned revenue | 9,159 | 1,819 | (900) | 10,078 | 672 | 9,406 |
| Other liabilities | 46,399 | 4,515 | (1,034) | 49,880 | 773 | 49,107 |
| Total other liabilities | 55,558 | 6,334 | (1,934) | 59,958 | 1,445 | 58,513 |
| Total | $ 2,748,656 | $ 1,559,374 | $ (238,457) | $ 4,069,573 | $ 148,904 | $ 3,920,669 |

Bonds and notes payable sinking fund installments and contractual maturities subsequent to December 31, 2024, using rates in effect as of December 31, 2024, are as follows:

| Years Ending | Single Family | | Multifamily / Business | | Notes Payable | |
|---|---|---|---|---|---|---|
| December 31, | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | $ 209,660 | $ 197,057 | $ 51,770 | $ 29,180 | $ 59 | $ 4 |
| 2026 | 97,995 | 191,573 | 35,510 | 27,885 | 25 | 4 |
| 2027 | 95,565 | 187,596 | 54,025 | 26,212 | 26 | 4 |
| 2028 | 115,205 | 183,070 | 12,225 | 24,738 | 26 | 3 |
| 2029 | 104,900 | 178,335 | 14,330 | 24,301 | 26 | 3 |
| 2030 - 2034 | 565,115 | 814,845 | 41,545 | 117,656 | 134 | 11 |
| 2035 - 2039 | 609,015 | 670,271 | 84,005 | 108,171 | 140 | 4 |
| 2040 - 2044 | 663,715 | 512,363 | 91,564 | 89,745 | - | - |
| 2045 - 2049 | 838,914 | 326,072 | 37,478 | 79,240 | - | - |
| 2050 - 2054 | 906,417 | 100,377 | 199,439 | 52,438 | - | - |
| 2055 - 2059 | 4,065 | 88 | 108,816 | 22,462 | - | - |
| 2060 - 2064 | - | - | 33,930 | 8,485 | - | - |
| 2065 - 2067 | - | - | 16,465 | 1,271 | - | - |
| Total | $ 4,210,566 | $ 3,361,647 | $ 781,102 | $ 611,784 | $ 436 | $ 33 |

**(7) Conduit Debt Obligation**

The Authority has issued certain conduit bonds, the proceeds of which were made available to various developers and corporations for rental housing and commercial purposes. The bonds are payable solely from amounts received by the trustees. The faith and credit of the Authority is not pledged for the payment of the principal or interest on the bonds. Accordingly, these obligations are excluded from the Authority's financial statements.

As of December 31, 2024 and 2023, the aggregate principal amount of conduit debt outstanding totaled $2.2 billion and $1.9 billion, respectively.

**(8) Derivative Instruments**

The Authority reports derivative instruments at fair value. The fair value of all derivatives is reported on the Statement of Net Position as a derivative instrument at the end of the year. If an interest rate hedge is considered ineffective, it is referred to as an investment derivative and the change in fair value is reported on the Statement of Revenues, Expenses and Changes in Net Position as investment derivative activity loss. The annual changes in the fair value of effective hedging derivative instruments are reported as deferred inflows and outflows, as appropriate, on the Statement of Net Position.

***Swaps Transactions*** **–** The Authority has entered into pay fixed, receive variable interest rate swaps in order to (1) provide lower cost fixed rate financing for its production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The objective of the swaps is to hedge interest rate risk.

The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon rate bonds due on the date of each future net settlement payment on the swaps.

The Authority's interest rate swaps, which are used to hedge interest rate risk, are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments.

There were no deemed termination events for the years ended December 31, 2024 and 2023.

The Authority entered into the following interest rate swap agreements during 2024, the swaps are considered to be effective interest rate hedges of certain single family bonds:

| Effective Date | Amount |
|---|---|
| February 14 | $ 31,250 |
| April 17 | 42,745 |
| June 18 | 54,490 |
| July 17 | 33,330 |
| September 11 | 49,645 |
| October 16 | 33,965 |
| November 13 | 37,000 |
| Total | $ 282,425 |

The Authority entered into the following interest rate swap agreements during 2023, the swaps are considered to be effective interest rate hedges of certain single family bonds:

| Effective Date | Amount |
|---|---|
| March 8 | $ 21,000 |
| March 21 | 33,910 |
| May 10 | 25,150 |
| July 20 | 40,000 |
| September 6 | 37,500 |
| September 20 | 50,000 |
| November 8 | 40,320 |
| December 13 | 43,040 |
| Total | $ 290,920 |

A summary of interest rate swaps for the years ended December 31, was as follows:

| Summary of Interest Rate Swaps | 2024 Fair Value | 2023 Fair Value |
|---|---|---|
| Par optional termination right | $ (103,477) | $ (70,506) |
| Trigger | 160 | 458 |
| Plain | 2,785 | 15,808 |
| Total fair value | $ (100,532) | $ (54,240) |

*Trigger:* The variable rate received on these swaps is 68% of the one-month SOFR plus a spread, if SOFR plus a spread is equal to or greater than 3.5%. The variable rate received on these swaps is based on the Securities Industry Financial Markets Association Municipal Swap Index (SIFMA) plus a spread if the one-month SOFR plus a spread is less than 3.5%. See further discussion in the basis risk section below.

*Par Optional Termination Right:* Certain swaps contain a cancellation clause that provides the Authority the option to cancel a certain amount of the swaps on certain dates. The Authority may cancel the optional termination amount for no payment (callable at par). The optional termination dates coincide with the debt service dates on the associated hedged bonds payable. These dates and amounts are provided in the table below.

***Detail of Outstanding Interest Rate Swaps –*** The key terms, including the fair values and counterparty credit ratings of the outstanding swaps as of December 31, 2024 and 2023, are shown in the table below. Except as discussed under amortization risk below, the Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable. Based on the standard swap agreement, payments are settled on a net basis.

The Authority enters into master netting arrangements with each of its swap counterparties. All of the agreements provide for the netting of the value of assets and liability positions of all transactions with the respective counterparty. There are no other significant transactions with these counterparties outside of these swap agreements, such that the aggregate amount of liabilities included in the master netting arrangements is equal to the net fair value of the swaps.

## Outstanding Swaps as of December 31:

| Swap Series | Current Notional Amount | Effective Date | Termination Date | Fixed Rate Paid | Variable Rate Received * | Embedded Options | Optional Termination Date, at Par | Optional Termination Amount | Counterparty Rating S&P/Moody's | 2024 Fair Value ** | Change in Fair Value | 2023 Fair Value ** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Single Family:** | | | | | | | | | | | | |
| **Investment derivatives** (includes overhedged portion of interest rate swaps): | | | | | | | | | | | | |
| 2019B-2 (A) | $ 7,000 | 1/3/2019 | 5/1/2042 | 2.9675% | SOFR+11.448 bp | | | | AA- / Aa1 | $ (242) | $ (61) | $ (181) |
| 2019G-2 | 1,130 | 7/15/2019 | 5/1/1943 | 3.2275% | SOFR+11.448 bp | *** | 5/1/2025 | 1,130 | AA- / Aa1 | (124) | (38) | (86) |
| 2019I-2 | 3,980 | 7/23/2019 | 11/1/2040 | 2.5800% | SOFR+11.448 bp | *** | 5/1/2025 | 2,545 | AA- / Aa1 | (601) | (123) | (478) |
| 2019L-2 | 8,910 | 11/20/2019 | 5/1/2041 | 2.2300% | SOFR+11.448 bp | *** | 5/1/2025 | 8,910 | AA- / Aa1 | (1,601) | (275) | (1,326) |
| 2020C-2 | 9,800 | 2/20/2020 | 5/1/2041 | 2.2480% | SOFR+11.448 bp | *** | 5/1/2025 | 4,330 | A+ / Aa2 | (1,822) | (325) | (1,497) |
| 2020F-2 | 735 | 7/30/2020 | 5/1/2041 | 1.2245% | SOFR+11.448 bp | *** | 5/1/2025 | 735 | AA- / Aa1 | (185) | (17) | (168) |
| 2020I-2 | 4,900 | 10/29/2020 | 5/1/2041 | 1.3510% | SOFR+11.448 bp | *** | 5/1/2025 | 4,695 | A+ / Aa2 | (1,367) | (159) | (1,208) |
| 2021C-2 | 5,085 | 1/21/2021 | 11/1/2043 | 1.6190% | SOFR+11.448 bp | *** | 5/1/2025 | 5,085 | AA- / Aa1 | (1,266) | (168) | (1,098) |
| 2022D-2 | 765 | 11/1/2024 | 11/1/2025 | 3.0675% | SOFR+11.448 bp | *** | 11/1/2031 | 765 | AA- / Aa1 | (4) | (4) | - |
| Total | 42,305 | | | | | | | | | (7,212) | (1,170) | (6,042) |
| **Hedging derivatives:** | | | | | | | | | | | | |
| 2001AA-2 **** | 21,245 | 12/4/2008 | 5/1/2031 | 4.6000% | Trigger, SIFMA + .05% or 68% SOFR + 7.785bp | | | | A+ / A1 | 160 | (298) | 458 |
| 2012A-2 (SPV) | 16,685 | 5/1/2018 | 5/1/2038 | 1.3820% | 70% SOFR + 8.014 bp | *** | 5/1/2030 | 8,485 | A+ / Aa2 | (1,245) | (98) | (1,147) |
| 2018B-2 | 17,385 | 5/1/2019 | 11/1/2041 | 1.8985% | 70% SOFR + 8.014 bp | *** | 5/1/2030 | 6,300 | AA- / Aa1 | (721) | (118) | (603) |
| 2019B-2 (A) | 3,000 | 1/3/2019 | 5/1/2028 | 2.9675% | SOFR+11.448 bp | | | | AA- / Aa1 | (103) | (25) | (78) |
| 2019B-2 (B) | 10,000 | 1/3/2019 | 5/1/2042 | 3.7575% | SOFR+11.448 bp | *** | 5/1/2025 | 10,000 | AA- / Aa1 | (939) | (283) | (656) |
| 2019D | 32,290 | 5/1/2019 | 11/1/2037 | 1.3340% | 70% SOFR + 8.014 bp | | | | A+ / Aa2 | (2,044) | (11) | (2,033) |
| 2019G-2 | 21,000 | 7/15/2019 | 5/1/2043 | 3.2275% | SOFR+11.448 bp | *** | 5/1/2025 | 175 | AA- / Aa1 | (2,293) | (693) | (1,600) |
| 2019I-2 | 26,020 | 7/23/2019 | 11/1/2040 | 2.5800% | SOFR+11.448 bp | *** | | | AA- / Aa1 | (3,929) | (800) | (3,129) |
| 2019L-2 | 30,255 | 11/20/2019 | 5/1/2041 | 2.2300% | SOFR+11.448 bp | *** | 5/1/2025 | 7,795 | AA- / Aa1 | (5,434) | (929) | (4,505) |
| 2020C-2 | 27,890 | 2/20/2020 | 5/1/2041 | 2.2480% | SOFR+11.448 bp | *** | | | A+ / Aa2 | (5,184) | (925) | (4,259) |
| 2020F-2 | 36,425 | 7/30/2020 | 5/1/2041 | 1.2245% | SOFR+11.448 bp | *** | 5/1/2025 | 11,260 | AA- / Aa1 | (9,184) | (901) | (8,283) |
| 2020I-2 | 36,790 | 10/29/2020 | 5/1/2044 | 1.3510% | SOFR+11.448 bp | *** | | | A+ / Aa2 | (10,266) | (1,198) | (9,068) |
| 2021C-2 | 38,000 | 1/21/2021 | 11/1/2043 | 1.6190% | SOFR+11.448 bp | *** | 5/1/2025 | 3,390 | AA- / Aa1 | (9,461) | (1,257) | (8,204) |
| 2021M-2 | 21,000 | 11/18/2021 | 11/1/2030 | 1.4408% | SOFR+11.448 bp | | | | AA- / Aa1 | (2,654) | (166) | (2,488) |
| 2022C-2 | 30,140 | 2/23/2022 | 11/1/2030 | 1.6980% | SOFR+11.448 bp | | | | A+ / Aa1 | (3,754) | (373) | (3,381) |
| 2022D-2 | 24,765 | 5/25/2022 | 5/1/2041 | 3.0675% | SOFR+11.448 bp | *** | 11/1/2031 | 18,930 | AA- / Aa1 | (2,529) | (886) | (1,643) |
| 2022G-2 | 32,000 | 11/1/2022 | 11/1/2040 | 3.1960% | SOFR+11.448 bp | *** | 11/1/2031 | 22,450 | AA- / Aa1 | (2,609) | (1,064) | (1,545) |
| 2022H-3 | 19,700 | 11/29/2022 | 5/1/2039 | 4.5230% | SOFR+11.448 bp | *** | 11/1/2029 | 15,995 | AA- / Aa1 | (312) | (746) | 434 |
| 2022L-2 | 32,535 | 12/15/2022 | 11/1/2039 | 4.4940% | SOFR+11.448 bp | *** | 11/1/2029 | 27,180 | AA- / Aa1 | (352) | (1,169) | 817 |
| 2023A-2 | 20,470 | 3/8/2023 | 11/1/2042 | 3.8700% | SOFR+11.448 bp | *** | 5/1/2030 | 16,830 | A+ / Aa1 | (1,304) | (850) | (454) |
| 2023E-2 | 33,155 | 3/21/2023 | 5/1/2041 | 3.9410% | SOFR+11.448 bp | *** | 5/1/2030 | 27,075 | A+ / Aa1 | (1,439) | (1,207) | (232) |
| 2023F-2 | 25,150 | 5/10/2023 | 5/1/2041 | 3.9710% | SOFR+11.448 bp | *** | 5/1/2030 | 20,320 | AA- / Aa1 | (1,283) | (984) | (299) |
| 2023K-2 | 38,870 | 7/20/2023 | 11/1/2042 | 4.2210% | SOFR+11.448 bp | *** | 5/1/2030 | 31,430 | AA- / Aa1 | (1,472) | (1,612) | 140 |
| 2023M-2 | 36,880 | 9/6/2023 | 5/1/2044 | 4.4150% | SOFR+11.448 bp | *** | 11/1/2030 | 27,325 | AA- / Aa1 | (665) | (1,515) | 850 |
| 2023N-2 | 50,000 | 9/20/2023 | 5/1/2044 | 4.6900% | SOFR+11.448 bp | | | | A+ / Aa2 | (568) | (2,406) | 1,838 |
| 2023P-2 | 40,320 | 11/8/2023 | 5/1/2042 | 5.1140% | SOFR+11.448 bp | *** | 11/1/2030 | 30,975 | A+ / Aa1 | 884 | (1,867) | 2,751 |
| 2023Q-2 | 42,695 | 12/13/2023 | 11/1/2046 | 4.9690% | SOFR+11.448 bp | *** | 11/1/2030 | 35,030 | A+ / Aa1 | 160 | (2,212) | 2,372 |
| 2024A-2 | 31,250 | 2/14/2024 | 5/1/2043 | 4.2550% | SOFR+11.448 bp | *** | 5/1/2031 | 23,225 | A+ / Aa1 | (793) | (793) | - |
| 2024B-2 | 42,745 | 4/17/2024 | 11/1/2044 | 4.5939% | SOFR+11.448 bp | *** | 5/1/2031 | 30,985 | AA- / Aa1 | (413) | (413) | - |
| 2024C-2 | 54,490 | 6/18/2024 | 5/1/2045 | 4.5900% | SOFR+11.448 bp | *** | 5/1/2031 | 36,255 | AA- / Aa1 | (212) | (212) | - |
| 2024D-2 | 33,330 | 7/17/2024 | 11/1/2045 | 4.5700% | SOFR+11.448 bp | *** | 5/1/2031 | 24,580 | A+ / Aa1 | (386) | (386) | - |
| 2024E-2 | 49,645 | 9/11/2024 | 5/1/2044 | 4.2730% | SOFR+11.448 bp | *** | 5/1/2031 | 40,275 | A+ / Aa1 | (1,791) | (1,791) | - |
| 2024F-2 | 33,965 | 10/16/2024 | 11/1/2046 | 3.8550% | SOFR+11.448 bp | *** | 11/1/2031 | 24,395 | A+ / Aa3 | (2,112) | (2,112) | - |
| 2024G-2 | 37,000 | 11/13/2024 | 11/1/2045 | 4.2260% | SOFR+11.448 bp | *** | 11/1/2031 | 26,775 | A+ / Aa3 | (1,224) | (1,224) | - |
| Total | 1,047,090 | | | | | | | | | (75,471) | (31,524) | (43,947) |
| Total Single Family | 1,089,395 | | | | | | | | | (82,683) | (32,694) | (49,989) |

*Table continued on following page.*

| Swap Series | Current Notional Amount | Effective Date | Termination Date | Fixed Rate Paid | Variable Rate Received * | Embedded Options | Optional Termination Date, at Par | Optional Termination Amount | Counterparty Rating S&P/Moody's | 2024 Fair Value ** | Change in Fair Value | 2023 Fair Value ** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Multifamily:** | | | | | | | | | | | | |
| **Investment derivatives** (includes overhedged portion of interest rate swaps): | | | | | | | | | | | | |
| 2009A-1 **** | - | 6/24/2009 | 10/1/2041 | 4.7900% | SIFMA + .05% | *** | | | A+ / A1 | - | 50 | (50) |
| Total | - | | | | | | | | | - | 50 | (50) |
| **Hedging derivatives:** | | | | | | | | | | | | |
| 2006A-1 **** | 1,090 | 12/3/2008 | 4/1/2027 | 5.7100% | SOFR + 16.448 bp | | | | A+ / A1 | (49) | 50 | (99) |
| 2007B-1 **** | 3,200 | 12/3/2008 | 4/1/2038 | 5.6400% | SOFR + 16.448 bp | | | | A+ / A1 | (356) | 51 | (407) |
| 2007B-1 (replacement) | 33,040 | 4/1/2021 | 10/1/2038 | 1.2990% | SOFR + 11.448 bp | *** | 4/1/2027 | 15,195 | AA- / Aa1 | (7,871) | (723) | (7,148) |
| 2008B (a) **** | 91,435 | 12/3/2008 | 10/1/2044 | 5.1722% | SOFR + 11.448 bp | | | | AA- / Aa1 | 8,341 | (6,201) | 14,542 |
| 2008B (b) **** | 39,660 | 12/3/2008 | 3/1/2047 | 5.2071% | SOFR + 11.448 bp | | | | AA- / Aa1 | 4,214 | (3,279) | 7,493 |
| 2009A-1 **** | - | 6/24/2009 | 10/1/2041 | 4.7900% | SIFMA + .05% | | | | A+ / A1 | - | 394 | (394) |
| 2018A-2 | 23,040 | 4/1/2018 | 4/1/2040 | 3.1450% | SOFR + 11.448 bp | *** | 4/1/2025 | 22,185 | AA- / Aa1 | (2,395) | (476) | (1,919) |
| 2019C (A) | 29,500 | 10/1/2019 | 10/1/2034 | 1.6000% | SOFR + 11.448 bp | *** | 10/1/2026 | 26,500 | A+ / Aa1 | (3,908) | (164) | (3,744) |
| 2019C (B) | 9,445 | 10/1/2019 | 10/1/2039 | 1.8510% | SOFR + 11.448 bp | *** | 10/1/2028 | 8,685 | A+ / Aa1 | (2,147) | (291) | (1,856) |
| 2020A | 9,950 | 4/1/2023 | 4/1/2050 | 1.4630% | SIFMA | *** | 4/1/2032 | 8,210 | A+ / Aa1 | (2,468) | (574) | (1,894) |
| 2020D-2 | 29,395 | 10/1/2020 | 4/1/2050 | 1.3600% | SOFR + 11.448 bp | *** | 10/1/2029 | 13,020 | A+ / Aa1 | (9,491) | (1,233) | (8,258) |
| 2018A-2 | 11,460 | 5/1/2023 | 4/1/2040 | 3.7250% | SOFR + 11.448 bp | *** | 4/1/2033 | 25,795 | A+ / Aa1 | (1,719) | (1,202) | (517) |
| Total | 281,215 | | | | | | | | | (17,849) | (13,648) | (4,201) |
| Total Multifamily | 281,215 | | | | | | | | | (17,849) | (13,598) | (4,251) |
| Total | $1,370,610 | | | | | | | | | $ (100,532) | $ (46,292) | $ (54,240) |

(*) SIFMA is the Securities Industry Financial Markets Association Municipal Swap Index; SOFR is the Secured Overnight Financing Rate.
(**) All fair values include the effect of any related embedded option.
(***) Par optional termination right.
(****) Swaps for which cash premiums were received in the amount of $73.4 million in 2008. The outstanding unamortized balance of the premium is reported on the Statement of Net Position as a component of hybrid instrument borrowings.
(SPV) Counterparty operates as a special-purpose vehicle.

***Risk Disclosure***

*Credit Risk:* All of the Authority's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result, the Authority is exposed to credit risk – that is, the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the column labeled "Fair Value" in the outstanding swaps table above. The Authority is exposed to credit risk in the amount of any positive net fair value exposure to each counterparty. As of December 31, 2024 and 2023, the Authority was exposed to minimal credit risk to any of its counterparties. To mitigate credit risk, the Authority maintains strict credit standards for swap counterparties. All swap counterparties must be rated in the AA/Aa or higher category by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's), respectively, at the time the contract is executed. Since the time of contract execution, certain counterparty ratings were lowered due to the national recession.

At December 31, 2024, the Authority had executed 45 swap transactions with six counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

| Swap Count | Notional Amount | Concentration | Counterparty Rating (S&P / Moody's) |
|---|---|---|---|
| 22 | $ 725,000 | 52.9% | AA- / Aa1 |
| 13 | 370,755 | 27.0% | A+ / Aa1 |
| 5 | 178,355 | 13.0% | A+ / Aa2 |
| 2 | 70,965 | 5.2% | A+ / Aa3 |
| 3 | 25,535 | 1.9% | A+ / A1 |
| 45 | $ 1,370,610 | 100.0% | |

At December 31, 2023, the Authority had executed 39 swap transactions with five counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

| Swap Count | Notional Amount | Concentration | Counterparty Rating (S&P / Moody's) |
|---|---|---|---|
| 11 | $ 430,810 | 38.4% | AA- / Aa1 |
| 10 | 257,145 | 22.9% | A+ / Aa1 |
| 9 | 209,355 | 18.6% | AA- / Aa2 |
| 5 | 185,320 | 16.5% | A+ / Aa2 |
| 4 | 40,440 | 3.6% | A+ / A1 |
| 39 | $ 1,123,070 | 100.0% | |

*Interest Rate Risk:* The Authority is exposed to interest rate risk in that as the variable rates on the swaps agreements decrease, the Authority's net payment on the swap agreement would increase.

*Basis Risk:* The Authority is exposed to basis risk when the variable interest rate paid to the holders of its variable rate demand obligations is not equivalent to the variable interest rate received from its counterparties on the related swap agreements.

When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated.

The Authority's tax-exempt variable rate bond interest payments are substantially equivalent to the SIFMA rate (plus a trading spread). Certain tax-exempt swaps, as indicated in the table above, contain a trigger feature in which the Authority receives a rate indexed on SIFMA should SOFR plus 11.448 basis points be less than a predetermined level (the trigger level, 3.5%), or a rate pegged at a percentage of SOFR plus 11.448 basis points should SOFR plus 11.448 basis points be equal to or greater than the predetermined trigger level. For these swaps, the Authority would be negatively exposed to basis risk during the time period it is receiving the rate based on a percentage of SOFR should the relationship between SOFR and SIFMA converge.

The Authority's taxable variable rate bond interest payments, which reset on a weekly basis, are generally hedged with a SOFR-based swap agreement. The Authority receives SOFR plus 11.448 basis points (plus a trading spread) or SOFR plus 11.448 basis points flat for all of its taxable swaps and therefore is only exposed to basis risk to the extent that the Authority's bonds diverge from these formulations of SOFR.

*Termination Risk:* The Authority's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Authority or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination a swap has a negative value, the Authority would be liable to the counterparty for a payment equal to the fair value of such swap.

There are certain termination provisions relevant to the Authority's counterparties operating as special-purpose vehicles (SPV) with a terminating structure. In the case of certain events, including the credit downgrade of the SPV or the failure of the parent company to maintain certain collateral levels, the SPV would be required to wind up its business and terminate all of its outstanding transactions with all clients, including the Authority. All such terminations would be at mid-market pricing. In the event of such termination, the Authority would be exposed to the risk of market re-entry and the cost differential between the mid-market termination and the offered price upon re-entry.

*Rollover Risk:* The Authority is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of December 31, 2024 and 2023, the Authority was not exposed to rollover risk.

*Amortization Risk:* The Authority is exposed to amortization risk in the event that the swap amortization schedules fail to match the actual amortization of the underlying bonds as a result of loan prepayments, which significantly deviate from expectations. If prepayments are significantly higher than anticipated, the Authority would have the option of reinvesting or recycling the prepayments, or calling unhedged bonds. Alternatively, if the Authority chose to call bonds associated with the swap, the Authority could elect an early termination of the related portions of the swap at a potential cost to the Authority. If prepayments are significantly lower than anticipated and the associated bonds remained outstanding longer than the relevant portion of the swap, the Authority could experience an increase in its exposure to unhedged variable rate bonds. Alternatively, the Authority could choose to enter into a new swap or an extension of the existing swap. If interest rates are higher at the time of entering into a new swap or swap extension, such action would result in an increased cost to the Authority.

*Collateral Requirements:* As of December 31, 2024 and 2023, swaps with a fair value of $(100.3) million and $(53.7) million, respectively, require the Authority to post collateral in the event that the underlying Class I bond rating drops below Aa3 as issued by Moody's Investor Service or AA- as issued by Standard & Poor's. Collateral requirements range up to 100% of the fair value of the swap depending on the bond rating. Over collateralization is required for investments posted in lieu of cash. At December 31, 2024 and 2023, the ratings of bonds subject to collateral requirements exceed the levels specified in the swap agreements.

***Swap Payments –*** Using interest rates as of December 31, 2024, debt service requirements of the Authority's outstanding variable rate debt and net swap payments were as follows. As rates vary, variable rate interest rate payments on the bonds and net swap payments will change.

| Years Ending December 31, | Changes in Notional Amounts | Interest | Swaps, Net | Total |
|---|---|---|---|---|
| 2025 | $ 36,540 | $ 57,049 | $ (11,872) | $ 81,717 |
| 2026 | 44,330 | 55,423 | (13,155) | 86,598 |
| 2027 | 48,010 | 53,511 | (12,873) | 88,648 |
| 2028 | 55,870 | 51,374 | (12,404) | 94,840 |
| 2029 | 52,290 | 49,189 | (12,007) | 89,472 |
| 2030 - 2034 | 371,580 | 205,853 | (45,108) | 532,325 |
| 2035 - 2039 | 424,510 | 125,490 | (20,433) | 529,567 |
| 2040 - 2044 | 291,910 | 39,736 | (3,392) | 328,254 |
| 2045 - 2049 | 37,190 | 4,325 | (1,707) | 39,808 |
| 2050 | 8,380 | 172 | (129) | 8,423 |
| Total | $1,370,610 | $ 642,122 | $ (133,080) | $ 1,879,652 |

***Hybrid Instrument Borrowings –*** Certain interest rate swaps, as identified on the detailed swap table above, include fixed rates that were off-market at the execution of the interest rate swaps. For financial reporting purposes, these interest rate swaps are considered hybrid instruments and are bifurcated between borrowings, with an aggregate original amount of $98.0 million reflecting the fair value of the instrument at its execution, and an interest rate swap with a fixed rate that was considered at-the-market at execution.

Activity for the hybrid instrument borrowings for the years ended December 31, was as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 2,905 | $ 3,680 |
| Reductions | (1,071) | (775) |
| Ending balance | $ 1,834 | $ 2,905 |

The following table sets forth as of December 31, 2024, payments of principal and interest on the hybrid instrument borrowings for the next five years and thereafter. The total payments generally reflect the difference between the stated fixed rate of the hybrid instrument and the at-the-market fixed rate at the execution of the instrument.

| Years Ending December 31, | Principal and Interest |
|---|---|
| 2025 | $ 484 |
| 2026 | 393 |
| 2027 | 295 |
| 2028 | 197 |
| 2029 | 146 |
| 2030 - 2034 | 224 |
| 2035 - 2039 | 69 |
| 2040 - 2044 | 23 |
| 2045 - 2047 | 3 |
| Total | $ 1,834 |

***Forward Sales Contracts –*** The Authority has entered into forward sales of mortgage backed securities with the To-Be-Announced market in order to lock in the sales price of certain single family loans to be securitized and later sold. The contracts offset potential changes in interest rates between the time of the loan reservation and the securitization and sale of such loans into Ginnie Mae and Fannie Mae securities. These contracts are considered investment derivative instruments, such that their change in fair value is reported as investment derivative activity gains or losses on the Statement of Revenues, Expenses and Changes in Net Position.

The outstanding forward contracts, summarized by counterparty as of December 31, 2024, were as follows:

| Count | Par | Exposure | Original Sales Price | 12/31/24 Premium | Fair Value | Counterparty Rating (S&P / Moody's) |
|---|---|---|---|---|---|---|
| 2 | $ 18,000 | 26.1% | $ 18,054 | $ 18,079 | $ 25 | A+ / A1 |
| 2 | 16,000 | 23.2% | 16,147 | 16,080 | (67) | BBB+ / Baa1 |
| 3 | 14,000 | 20.3% | 14,097 | 14,070 | (27) | AA- / Aa1 |
| 2 | 12,000 | 17.4% | 12,172 | 12,165 | (7) | A- / A1 |
| 2 | 9,000 | 13.0% | 8,978 | 8,888 | (90) | BBB+ / A1 |
| 11 | $ 69,000 | 100.0% | $ 69,448 | $ 69,282 | $ (166) | |

The outstanding forward contracts, summarized by counterparty as of December 31, 2023, were as follows:

| Count | Par | Exposure | Original Sales Price | 12/31/23 Premium | Fair Value | Counterparty Rating (S&P / Moody's) |
|---|---|---|---|---|---|---|
| 1 | $ 25,000 | 27.3% | $ 25,719 | $ 25,652 | $ (67) | BBB+ / Baa1 |
| 3 | 16,000 | 17.4% | 16,141 | 16,441 | 300 | AA- / Aa2 |
| 2 | 15,000 | 16.3% | 15,222 | 15,413 | 191 | A+ / A1 |
| 3 | 14,000 | 15.2% | 14,226 | 14,376 | 150 | A- / A1 |
| 3 | 12,000 | 13.0% | 12,199 | 12,274 | 75 | BBB+ / A1 |
| 1 | 6,000 | 6.5% | 6,083 | 6,177 | 94 | A+ / AA |
| 1 | 4,000 | 4.3% | 4,090 | 4,094 | 4 | BBB+ / Baa1 |
| 14 | $ 92,000 | 100.0% | $ 93,680 | $ 94,427 | $ 747 | |

**Summary**

A summary of derivative instruments activity for the years ended December 31, is as follows:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Hedging | Investments | | | Hedging | Investments | | |
| | Swaps | Swaps | Forwards | Total | Swaps | Swaps | Forwards | Total |
| Fair value, beginning | $ (48,148) | $ (6,092) | $ 747 | $ (53,493) | $ (64,043) | $ (5,191) | $ 205 | $ (69,029) |
| Settlements | 20,486 | 2,323 | (747) | 22,062 | 18,683 | 556 | (205) | 19,034 |
| Change in fair value | (65,658) | (3,443) | (166) | (69,267) | (2,788) | (1,457) | 747 | (3,498) |
| Fair value, ending | $ (93,320) | $ (7,212) | $ (166) | $ (100,698) | $ (48,148) | $ (6,092) | $ 747 | $ (53,493) |

**(9) Debt Refundings**

There were no debt refunding transactions during 2024 or 2023.

**(10) Fair Value Measurement**

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities and gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These measurements are described as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Authority has the following recurring fair value measurements as of December 31, 2024:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | 12/31/2024 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Investments by fair value level** | | | | |
| U.S. government agencies | $ 3,687,688 | $ 22,891 | $ 3,664,797 | $ - |
| U.S. Treasuries | 5,046 | 4,854 | 192 | - |
| Total investments by fair value level | | $ 27,745 | $ 3,664,989 | $ - |
| **Other investments not subject to the leveling hierarchy** | | | | |
| Investment agreements - uncollaterlized | 19,308 | | | |
| Repurchase agreements | 10,507 | | | |
| Money market funds | 439,864 | | | |
| Total investments | $ 4,162,413 | | | |
| **Derivative instruments** | | | | |
| Forward sale agreements | $ 166 | $ - | $ 166 | $ - |
| Hedging and investment derivatives | 100,532 | - | 100,532 | - |
| Total derivative instruments | $ 100,698 | $ - | $ 100,698 | $ - |

Investments and derivative instruments classified as Level 2 are valued using either bid evaluation or a matrix-based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on a securities' relationship to benchmark quoted prices.

As of December 31, 2024, the Authority held investments totaling $29.8 million that were not subject to the leveling hierarchy, these investments consisted of private, guaranteed investment contracts categorized as either investment agreements or repurchase agreements. Additionally, the Authority held investments in money market funds totaling $439.9 million which were not subject to the leveling hierarchy as amounts are recorded based on amortized cost.

The Authority has the following recurring fair value measurements as of December 31, 2023:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | 12/31/2023 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Investments by fair value level** | | | | |
| U.S. government agencies | $ 2,715,294 | $ 20,195 | $ 2,695,099 | $ - |
| U.S. Treasuries | 5,103 | 4,910 | 193 | - |
| Total investments by fair value level | | $ 25,105 | $ 2,695,292 | $ - |
| **Other investments not subject to the leveling hierarchy** | | | | |
| Investment agreements - uncollaterlized | 23,358 | | | |
| Repurchase agreements | 12,599 | | | |
| Money market funds | 500,044 | | | |
| Total investments | $ 3,256,397 | | | |
| **Derivative instruments** | | | | |
| Forward sale agreements | $ (747) | $ - | $ (747) | $ - |
| Hedging and investment derivatives | 54,240 | - | 54,240 | - |
| Total derivative instruments | $ 53,493 | $ - | $ 53,493 | $ - |

Investments and derivative instruments classified as Level 2 are valued using either bid evaluation or a matrix-based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on a securities' relationship to benchmark quoted prices.

As of December 31, 2023, the Authority held investments totaling $36.0 million that were not subject to the leveling hierarchy, these investments consisted of private, guaranteed investment contracts categorized as either investment agreements or repurchase agreements. Additionally, the Authority held investments in money market funds totaling $500.0 million which were not subject to the leveling hierarchy as amounts are recorded based on amortized cost.

**(11) Restricted and Unrestricted Net Position**

The amounts restricted for the Single Family bond programs and the Multifamily/Business bond programs are for the payment of principal, redemption premium, if any, and interest, including net swap payments, on all outstanding single family and multifamily/business bond issues, in the event that no other funds are legally available for such payments. Such assets are segregated within the Single Family and Multifamily/Business bond programs and are held in cash, loans receivable and investments.

The Board may authorize the withdrawal of all or part of this restricted balance if (1) updated cash flow projections indicate that adequate resources will exist after any withdrawal to service the outstanding debt, subject to approval by the bond trustee and the rating agency review; (2) the Authority determines that such funds are needed for the implementation or maintenance

of any duly adopted program of the Authority; and (3) no default exists in the payment of the principal, redemption premium, if any, or interest on such bonds.

The Board has designated certain amounts of the unrestricted net position of the General Programs as of December 31, 2024 and 2023, for various purposes, as indicated in the following table. These designations of net position are not binding and can be changed by the Board.

Unrestricted Net Position for the years ended December 31:

| | 2024 | 2023 |
|---|---|---|
| Designations: | | |
| Housing lending program | $ 574,415 | $ 560,406 |
| Commerical lending program | 500 | 521 |
| General operating and working capital reserves | 42,494 | 38,824 |
| Debt reserves | 77,308 | 75,571 |
| Total general programs unrestricted net position | $ 694,717 | $ 675,322 |

**(12) Retirement Plans**

**Summary of Significant Accounting Policies**

***Pensions*** **–** The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the FNP and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

***Plan description*** **–** Eligible employees of the Authority are provided with pensions through the LGDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the C.R.S., administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the Internal Revenue Code (IRC). Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

***Benefits provided*** **–** PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal IRC.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

***Contributions*** **–** Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2023 through December 31, 2024, are summarized in the table below:

| | January 1, 2023 Through December 31, 2023 | January 1, 2024 Through December 31, 2024 |
|---|---|---|
| Employee Contribution Rate [1] | 9.00% | 9.00% |

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees are summarized in the table below:

| | January 1, 2023 Through December 31, 2023 | January 1, 2024 Through December 31, 2024 |
|---|---|---|
| Employer Contribution Rate [1] | 11.00% | 11.00% |
| Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) [1] | -1.02% | -1.02% |
| Amount Apportioned to the LGDTF [1] | 9.98% | 9.98% |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1] | 2.20% | 2.20% |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1] | 1.50% | 1.50% |
| Defined Contribution Supplement as specified in C.R.S. § 24-51-415 [1] | 0.06% | 0.08% |
| Total Employer Contribution Rate to the LGDTF [1] | 13.74% | 13.76% |

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were $3.1 million and $2.6 million for the years ended December 31, 2024 and 2023, respectively.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2024, the Authority reported a liability of $18.9 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2023, the Authority's proportion was 2.58%, which was an increase of 0.19% from its proportion measured as of December 31, 2022.

At December 31, 2023, the Authority reported a liability of $24.0 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the Authority's proportion was 2.39%, which was an increase of 0.05% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of $(2.2) million and $2.1 million, respectively.

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 1,025 | $ 18 |
| Net difference between projected and actual earnings on pension plan investments | 4,698 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 953 | 310 |
| Contributions subsequent to the measurement date | 3,070 | - |
| Total | $ 9,746 | $ 328 |

The $3.1 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ 119 |
| Net difference between projected and actual earnings on pension plan investments | 9,751 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 23 | 100 |
| Contributions subsequent to the measurement date | 2,740 | - |
| Total | $ 12,514 | $ 219 |

The $2.7 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending December 31, | Pension Expense |
|---|---|
| 2025 | $ 1,555 |
| 2026 | 2,106 |
| 2027 | 4,209 |
| 2028 | (1,522) |
| 2029 | - |
| Thereafter | - |

***Actuarial assumptions*** **–** The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.20% - 11.30% |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25% |
| Discount Rate | 7.25% |
| Post-retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1/07 (compounded annually) | 1.00% |
| PERA benefit structure hired after 12/31/06 [1] | Financed by the AIR |

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real rate of Return |
|---|---|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives | 6.00% | 4.70% |
| Total | 100.00% | |

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long- term expected nominal rate of return assumption of 7.25%.

***Discount rate –*** The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were $25.0 million and $1.0 million, respectively.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

***Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate –*** The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as

what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1.0% Decrease (6.25%) | Current Discount Rate (7.25%) | 1.0% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net pension liability | $ 37,116 | $ 18,936 | $ 3,707 |

***Pension plan fiduciary net position –*** Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

**Defined Contribution Pension Plans**

**PERAPlus 401(k) Plan**

***Plan Description*** - Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an IRC Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

***Funding Policy*** - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service (IRS), as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the Authority has agreed to match employee contributions up to 5.0% of covered salary as determined by the IRS. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For years ended December 31, 2024 and 2023, program members contributed $1.6 million and $1.5 million, respectively. For years ended December 31, 2024 and 2023, the Authority recognized expense of $912 thousand and $868 thousand, respectively, related to the PERAPlus 401(k) plan.

**PERAPlus 457 Plan**

***Plan Description*** - Employees of the Authority may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an IRC Section 457 defined contribution plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

***Funding Policy*** - The PERAPlus 457 plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The Authority does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the years ended December 31, 2024 and 2023, program members contributed $194 thousand and $149 thousand, respectively.

**Other Post-Employment Benefits**

**Summary of Significant Accounting Policies**

***OPEB*** - The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the FNP and additions to/deductions from the FNP of the HCTF have

been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

***Plan description*** - Eligible employees of the Authority are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the C.R.S., as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at www.copera.org/investments/pera-financial-reports.

***Benefits provided*** - The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

***OPEB Benefit Structure*** - The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

***Contributions*** - Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority were $230 thousand and $199 thousand for the years ended December 31, 2024 and 2023.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2024 the Authority reported a liability of $1.5 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Authority's proportion was 0.20%, which was an increase of 0.01% from its proportion measured as of December 31, 2022.

At December 31, 2023 the Authority reported a liability of $1.6 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Authority's proportion was 0.19%, which was an increase of 0.01% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2024 and 2023, the Authority recognized OPEB expense of $(295) thousand and $(110) thousand, respectively.

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ 277 |
| Change of assumptions or other inputs | 15 | 145 |
| Net difference between projected and actual earnings on OPEB plan investments | 41 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 162 | 42 |
| Contributions subsequent to the measurement date | 228 | |
| Total | $ 446 | $ 464 |

The $228 thousand reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025.

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ 369 |
| Change of assumptions or other inputs | 24 | 172 |
| Net difference between projected and actual earnings on OPEB plan investments | 99 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 101 | 91 |
| Contributions subsequent to the measurement date | 203 | - |
| Total | $ 427 | $ 632 |

The $203 thousand reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Years Ending December 31, | OPEB Expense |
|---|---|
| 2025 | $ (143) |
| 2026 | (63) |
| 2027 | (11) |
| 2028 | (33) |
| 2029 | 1 |
| Thereafter | 3 |

***Actuarial assumptions*** - The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.20% - 11.30% |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25% |
| Discount Rate | 7.25% |
| Health care cost trend rates | |
| PERA benefit structure: | |
| Service-based premium subsidy | 0.00% |
| PERACare Medicare plans | 7.00% in 2023, gradually decreasing to 4.50% in 2033 |
| Medicare Part A premiums | 3.50% in 2023, gradually increasing to 4.50% in 2035 |

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**Age-Related Morbidity Assumptions**

| Participant Age | Annual Increase (Male) | Annual Increase (Female) |
|---|---|---|
| 65-68 | 2.2% | 2.3% |
| 69 | 2.8% | 2.2% |
| 70 | 2.7% | 1.6% |
| 71 | 3.1% | 0.5% |
| 72 | 2.3% | 0.7% |
| 73 | 1.2% | 0.8% |
| 74 | 0.9% | 1.5% |
| 75-85 | 0.9% | 1.3% |
| 86 and older | 0.0% | 0.0% |

| Sample Age | MAPD PPO #1 with Medicare Part A | | MAPD PPO #2 with Medicare Part A | | MAPD HMO (Kaiser) with Medicare Part A | |
|---|---|---|---|---|---|---|
| | Retiree/Spouse | | Retiree/Spouse | | Retiree/Spouse | |
| | Male | Female | Male | Female | Male | Female |
| 65 | $1,692 | $1,406 | $579 | $481 | $1,913 | $1,589 |
| 70 | $1,901 | $1,573 | $650 | $538 | $2,149 | $1,778 |
| 75 | $2,100 | $1,653 | $718 | $566 | $2,374 | $1,869 |

| Sample Age | MAPD PPO #1 without Medicare Part A | | MAPD PPO #2 without Medicare Part A | | MAPD HMO (Kaiser) without Medicare Part A | |
|---|---|---|---|---|---|---|
| | Retiree/Spouse | | Retiree/Spouse | | Retiree/Spouse | |
| | Male | Female | Male | Female | Male | Female |
| 65 | $6,469 | $5,373 | $4,198 | $3,487 | $6,719 | $5,581 |
| 70 | $7,266 | $6,011 | $4,715 | $3,900 | $7,546 | $6,243 |
| 75 | $8,026 | $6,319 | $5,208 | $4,101 | $8,336 | $6,563 |

The 2023 Medicare Part A premium is $506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

| Year | PERACare Medicare Plans | Medicare Part A Premiums |
|---|---|---|
| 2023 | 7.00% | 3.50% |
| 2024 | 6.75% | 3.50% |
| 2025 | 6.50% | 3.75% |
| 2026 | 6.25% | 3.75% |
| 2027 | 6.00% | 4.00% |
| 2028 | 5.75% | 4.00% |
| 2029 | 5.50% | 4.00% |
| 2030 | 5.25% | 4.25% |
| 2031 | 5.00% | 4.25% |
| 2032 | 4.75% | 4.25% |
| 2033 | 4.50% | 4.25% |
| 2034 | 4.50% | 4.25% |
| 2035+ | 4.50% | 4.50% |

Mortality assumptions used in the December 31, 2022, valuation for the determination of the TPL for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be

effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real rate of Return |
|---|---|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives | 6.00% | 4.70% |
| Total | 100.00% | |

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

***Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates*** - The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---|---|---|---|
| Initial PERACare Medicare trend rate | 5.75% | 6.75% | 7.75% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate | 2.50% | 3.50% | 4.50% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | $ 1,417 | $ 1,459 | $ 1,504 |

***Discount rate*** - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.0 million and $25.0 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

***Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate*** - The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1.0% Decrease (6.25%) | Current Discount Rate (7.25%) | 1.0% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net OPEB liability | $ 1,723 | $ 1,459 | $ 1,233 |

***OPEB plan fiduciary net position*** - Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

**(13) Risk Management**

The Authority's Legal and Enterprise Risk Management function consists of Legal Operations, Internal Audit, Compliance, Information Security and Privacy. The Authority embraces the Three Lines of Defense Model to enterprise risk management, in which senior management and the Board look to (a) operating management, (b) the risk and compliance functions and (c) internal audit testing to appropriately manage risk. The Enterprise Risk Management function includes the Board and an Enterprise Risk Management Committee, which is a staff level committee with Executive Team involvement that periodically reports to the Audit Committee of the Board. Risk management techniques utilized include annual risk assessments with periodic updates, periodic review of governance around risk and opportunity, information technology and strategic projects, establishment of appropriate policies and procedures, business continuity planning and testing and insurance coverage as appropriate. The Authority presently maintains commercial general and premises liability, business automobile liability,

property, mortgage protection, worker's compensation, crime, cyber and public entity and official's liability coverages. Settled claims did not exceed insurance coverage during the reporting period.

**(14) Related-Party Transactions**

As of the years ended December 31, 2024 and 2023, the Authority had allocated Federal Low Income Housing Tax Credits in the amount of $930 thousand to a housing project in which Total Concept is the general partner. Federal tax credits are provided annually for each of ten years. In addition, the Authority had outstanding loans with Total Concept. As of December 31, 2024 and 2023, the unpaid principal balance on the loans totaled $1.2 million and $1.3 million, respectively. The Executive Director of Total Concept was a member of the Authority's Board at the time that the tax credits were allocated and the loans were made.

**(15) Commitments and Contingencies**

The Authority had outstanding commitments to make or acquire single family and multifamily/business loans of $215.0 million and $192.9 million, respectively, as of December 31, 2024. The Authority had outstanding commitments to make or acquire single family and multifamily/business loans of $182.8 million and $68.3 million, respectively, as of December 31, 2023.

There are a limited number of claims or suits pending against the Authority arising in the Authority's ordinary course of business. In the opinion of the Authority's management and counsel, any losses that might result from these claims and suits are either covered by insurance or, to the extent not covered by insurance, would not have a material adverse effect on the Authority's financial position.

The Authority participates in the Ginnie Mae MBS Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and backed by pools of mortgage loans. If a borrower fails to make a timely payment on a mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. All loans pooled under the Ginnie Mae MBS Program are either insured by the FHA or are guaranteed by the VA or RD. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and advances funds to repurchase the loans as necessary. Advances are recovered as claims are processed or loans are modified. The Authority repurchased $301.2 million and $83.2 million of these loans in 2024 and 2023, respectively. Claims, recoveries and proceeds from re-pooled, modified loans substantially reimburse the Authority over time.

The Authority also participates in the Whole Loan Sales and MBS programs with Fannie Mae. Through the consideration of Whole Loan Sales to Fannie Mae, the Authority receives cash for mortgages. Through the MBS program, the Authority swaps loans for securities issued by Fannie Mae. Whole Loan Sales are serviced by the Authority in an Actual/Actual remittance method and the MBS loans are serviced by the Authority in a Schedule/Schedule remittance method. Under the Schedule/Schedule method, if a borrower fails to make a timely payment on a MBS mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. The Authority repurchased $274 thousand and $866 thousand of these loans in 2024 and 2023, respectively.

The Authority also participates in the Whole Loan Sales program with Freddie Mac. Through the consideration of Whole Loan Sales to Freddie Mac, the Authority receives cash for mortgages. Whole Loan Sales are serviced by the Authority in a Schedule/Actual remittance method. Under the Schedule/Actual method, if a borrower fails to make a timely payment on a mortgage loan, the Authority must advance its own funds to ensure that the interest is current. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. The Authority repurchased $3.3 million and $1.1 million of these loans in 2024 and 2023, respectively.

**(16) Subsequent Events**

There have not been any reportable events identified subsequent to the end date of the audit period through the issuance of this report.

# required supplemental information (unaudited)

**Colorado Housing and Finance Authority**
**Schedule of the Authority's Share of Net Pension Liability**
**Last 10 Fiscal Years***
***(in thousands of dollars)***

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Proportion of the net pension liability | 2.58% | 2.39% | 2.34% | 2.47% | 2.42% | 2.41% | 2.61% | 2.41% | 2.29% | 2.16% |
| Proportionate share of net pension liability | $ 18,936 | $ 23,965 | $ (2,004) | $ 12,886 | $ 17,693 | $ 30,278 | $ 29,015 | $ 32,535 | $ 25,185 | $ 19,360 |
| Covered-employee payroll | $ 19,940 | $ 18,560 | $ 17,539 | $ 17,165 | $ 16,634 | $ 15,994 | $ 14,974 | $ 14,091 | $ 12,984 | $ 11,857 |
| Proportionate share of the net pension liability as a percentage of its covered-employee payroll | 94.96% | 129.12% | -11.43% | 75.07% | 106.38% | 189.31% | 193.77% | 230.89% | 193.97% | 163.28% |
| Plan fiduciary net position as a percentage of the total pension plan liability | 88.03% | 82.99% | 101.49% | 90.88% | 86.26% | 75.96% | 79.37% | 73.65% | 76.87% | 80.72% |

*The accompanying notes are an integral part of the Required Supplementary Information.*

**Colorado Housing and Finance Authority**
**Schedule of Authority Contributions**
**Local Government Division Trust Fund**
**Last 10 Fiscal Years***
***(in thousands of dollars)***

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 2,740 | $ 2,502 | $ 2,315 | $ 2,215 | $ 2,109 | $ 2,028 | $ 1,899 | $ 1,787 | $ 1,646 | $ 1,504 |
| Contributions in relation to the contractually required contribution | 2,740 | 2,502 | 2,315 | 2,215 | 2,109 | 2,028 | 1,899 | 1,787 | 1,646 | 1,504 |
| Contribution deficiency | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered-employee payroll | $ 19,940 | $ 18,560 | $ 17,539 | $ 17,165 | $ 16,634 | $ 15,994 | $ 14,974 | $ 14,091 | $ 12,984 | $ 11,857 |
| Contributions as a percentage of covered-employee payroll | 13.74% | 13.48% | 13.20% | 12.90% | 12.68% | 12.68% | 12.68% | 12.68% | 12.68% | 12.68% |

*The accompanying notes are an integral part of the Required Supplementary Information.*

## 1) Significant changes in Plan Provisions Affecting Trends in Actuarial Information

***2023 changes***

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund were $25.0 million and $1.0 million, respectively.

- Senate Bill (SB) 23-056, enacted and effective June 2,2023, intended to recompense PERA for the remaining portion of the $225,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in § 24-51-416, plus $10,000 from the General Fund, totaling $14,561.

- As of the December 31, 2023, measurement date, the TPL recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

***2022 changes***

- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to a negative investment return in 2022.

- The total pension liability for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of December 31, 2022, measurement date.

***2021 changes***

- The following changes reflect the anticipated adjustments resulting from the 2020 AAP assessment, statutorily recognized July 1,2021, and effective July 1, 2022:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - AI cap is lowered from 1.25% per year to 1.00% per year.

***2020 changes***

- HB 20-1379, enacted on June 29, 2020, suspended the $225 million (actual dollars) direct distribution payable on July 1,2020 for the State's 2020-21 fiscal year.

***2019 changes***

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.

***2018 changes***

- The following changes were made to the plan provisions as part of SB 18-200:
    - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
    - AI cap is lowered from 2.00% per year to 1.50% per year.
    - Initial AI waiting period is extended from one year after retirement to three years after retirement.
    - AI payments are suspended for 2018 and 2019.
    - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government and DPS Divisions and increases from one to three years for the Judicial Division.

***2017 changes***

- There were no changes made to plan provisions.

***2016 changes***

- There were no changes made to plan provisions.

***2015 changes***

- There were no changes made to plan provisions.

***2014 changes***

- There were no changes made to plan provisions.

**2) Significant changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

***2023 changes***

- There were no changes made to the actuarial methods or assumptions.

***2022 changes***

- There were no changes made to the actuarial methods or assumptions.

***2021 changes***

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

***2020 changes***

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination / withdrawal, retirement and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjust as follows:
    - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

***2019 changes***

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

***2018 changes***

- There were no changes made to the actuarial methods or assumptions.

***2017 changes***

- There were no changes made to the actuarial methods or assumptions.

***2016 changes***

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73% factor applied to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78% factor applied to ages below 80 and a 109% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The single equivalent interest rate (SEIR) for the Local Government Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

***2015 changes***

- The following programming changes were made:
    - Valuation of the full survivor benefit without reduction for possible remarriage.
    - Reflection of the employer match on separation benefits for all eligible years.
    - Reflection of one year of service eligibility for survivor annuity benefit.
    - Refinement of the 18-month AI timing.
    - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
    - Recognition of merit salary increases in the first projection year.
    - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
    - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
    - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability (UAAL) payment calculation to reflect contributions throughout the year.

***2014 changes***

- There were no changes made to the actuarial methods or assumptions.

**Colorado Housing and Finance Authority**
**Schedule of the Authority's Share of Net OPEB Liability**
**Last 10 Fiscal Years***
***(in thousands of dollars)***

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Proportion of the net OPEB liability | 0.20% | 0.19% | 0.18% | 0.19% | 0.18% | 0.19% | 0.20% | 0.18% |
| Proportionate share of net OPEB liability | $ 1,459 | $ 1,567 | $ 1,560 | $ 1,789 | $ 2,083 | $ 2,541 | $ 2,632 | $ 2,398 |
| Covered-employee payroll | $ 19,940 | $ 18,560 | $ 17,539 | $ 17,165 | $ 16,634 | $ 15,994 | $ 14,974 | $ 14,091 |
| Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll | 7.32% | 8.44% | 8.90% | 10.42% | 12.52% | 15.89% | 17.57% | 17.02% |
| Plan fiduciary net position as a percentage of the total OPEB plan liability | 46.16% | 38.57% | 39.40% | 32.78% | 24.49% | 17.03% | 17.53% | 16.72% |

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
*The accompanying notes are an integral part of the Required Supplementary Information.*

**Colorado Housing and Finance Authority**
**Schedule of Authority Contributions**
**Health Care Trust Fund**
**Last 10 Fiscal Years***
***(in thousands of dollars)***

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 203 | $ 189 | $ 179 | $ 175 | $ 170 | $ 161 | $ 153 | $ 144 |
| Contributions in relation to the contractually required contribution | 203 | 189 | 179 | 175 | 170 | 161 | 153 | 144 |
| Contribution deficiency | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered-employee payroll | $ 19,940 | $ 18,560 | $ 17,539 | $ 17,165 | $ 16,634 | $ 15,994 | $ 14,974 | $ 14,091 |
| Contributions as a percentage of covered-employee payroll | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
*The accompanying notes are an integral part of the Required Supplementary Information.*

## 1) Significant changes in Plan Provisions Affecting Trends in Actuarial Information

***2023 changes***

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund were $25.0 million and $1.0 million, respectively.

***2022 changes***

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of December 31, 2022, measurement date.

***2021 changes***

- There were no changes made to plan provisions.

***2020 changes***

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination / withdrawal, retirement and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjust as follows:
    - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

***2019 changes***

- There were no changes made to plan provisions.

***2018 changes***

- There were no changes made to plan provisions.

***2017 changes***

- There were no changes made to plan provisions.

***2016 changes***

- There were no changes made to plan provisions.

**2) Significant changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

***2023 changes***

- There were no changes made to the actuarial methods or assumptions.

***2022 changes***

- The timing of the retirement decrement was adjusted to middle-of-year.

***2021 changes***

- There were no changes made to the actuarial methods or assumptions.

***2020 changes***

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination, withdrawal, retirement and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables developed on a head-count weighted basis.

***2019 changes***

- There were no changes made to the actuarial methods or assumptions.

***2018 changes***

- There were no changes made to the actuarial methods or assumptions.

***2017 changes***

- There were no changes made to the actuarial methods or assumptions.

***2016 changes***

- The following methodology change was made:
  - The Entry Age Normal actuarial cost method allocation basis has been changed from a level dollar amount to a level percentage of pay.
- The following changes were made to the actuarial assumptions:
  - The investment rate of return assumption decreased from 7.50% to 7.25%.
  - The price inflation assumption decreased from 2.80% to 2.40%.
  - The wage inflation assumption decreased from 3.90% to 3.50%.
  - The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
  - The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73% factor applied to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78% factor applied to ages below 80 and a 109% factor applied to age 80 and above, projected to 2020, for females.
  - For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
  - The assumed rates of withdrawal, retirement and disability have been adjusted to more closely reflect experience.
  - The assumed rates of PERACare participation have been revised to reflect more closely actual experience.
  - Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2017 plan year.
  - The percentage of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage have been revised to reflect more closely actual experience.
  - The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage has been revised to reflect more closely actual experience.
  - The health care cost trend rates for Medicare Part A premiums have been revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
  - Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire have been revised to more closely reflect actual experience.
  - Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, have been revised to more closely reflect actual experience.

- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees was revised to reflect more closely actual experience.
- The assumed age differences between future retirees and their participating spouses have been revised to reflect more closely actual experience.

supplemental information

## Colorado Housing and Finance Authority
## Combining Schedule - Statement of Net Position

**As of December 31, 2024**

***(with summarized financial information for December 31, 2023)***

***(in thousands of dollars)***

| | General Programs | Single Family | Multifamily/ Business | Eliminations | 2024 | Summarized 2023 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Current assets: | | | | | | |
| Cash *(Note 2)* | | | | | | |
| Restricted | $ 192,120 | $ - | $ - | $ - | **$ 192,120** | $ 155,828 |
| Unrestricted | 14,979 | - | - | - | **14,979** | 13,917 |
| Investments *(Note 2)* | 46,949 | 333,982 | 133,229 | - | **514,160** | 555,574 |
| Loans receivable *(Note 3)* | 24,464 | 12,661 | 23,606 | (1,285) | **59,446** | 49,188 |
| Loans receivable held for sale *(Note 3)* | 131,593 | - | - | - | **131,593** | 120,987 |
| Accrued interest receivable | 10,858 | 19,501 | 5,283 | (229) | **35,413** | 27,586 |
| Other assets | 37,305 | 559 | 20 | - | **37,884** | 28,874 |
| Due (to) from other programs | (10,196) | 3,038 | 7,158 | - | **-** | - |
| Total current assets | 448,072 | 369,741 | 169,296 | (1,514) | **985,595** | 951,954 |
| Noncurrent assets: | | | | | | |
| Investments *(Note 2)* | 49 | 22,722 | 32,604 | - | **55,375** | 76,732 |
| Program investments (MBS) | - | 3,592,878 | - | - | **3,592,878** | 2,624,092 |
| Loans receivable, net *(Note 3)* | 709,466 | 367,160 | 684,577 | (37,275) | **1,723,928** | 1,426,426 |
| Derivative instruments | 166 | 82,683 | 17,849 | - | **100,698** | 53,493 |
| Capital assets - nondepreciable *(Note 4)* | 1,837 | - | - | - | **1,837** | 1,948 |
| Capital assets - depreciable, net *(Note 4)* | 8,756 | - | - | - | **8,756** | 9,455 |
| Other real estate owned, net | 262 | - | - | - | **262** | 709 |
| Other assets | 145,951 | - | - | - | **145,951** | 132,371 |
| Total noncurrent assets | 866,487 | 4,065,443 | 735,030 | (37,275) | **5,629,685** | 4,325,226 |
| **Total assets** | 1,314,559 | 4,435,184 | 904,326 | (38,789) | **6,615,280** | 5,277,180 |
| **Deferred outflows of resources** | | | | | | |
| Accumulated fair value of hedging derivatives | - | 1,204 | 12,555 | - | **13,759** | 31,695 |
| Pension and OPEB contributions and investment earnings | 10,192 | - | - | - | **10,192** | 12,941 |
| Refundings of debt | - | 457 | 474 | - | **931** | 878 |
| **Total deferred outflows of resources** | 10,192 | 1,661 | 13,029 | - | **24,882** | 45,514 |
| **Liabilities** | | | | | | |
| Current liabilities: | | | | | | |
| Short-term debt *(Note 5)* | 327,134 | - | - | - | **327,134** | 206,502 |
| Bonds payable *(Note 6)* | - | 213,971 | 51,794 | - | **265,765** | 147,400 |
| Notes payable *(Note 6)* | 59 | - | - | - | **59** | 59 |
| Hybrid instrument borrowings *(Note 8)* | - | 266 | 218 | - | **484** | 623 |
| Accrued interest payable | 300 | 30,612 | 6,522 | (229) | **37,205** | 25,259 |
| Federally assisted program advances | 322 | - | - | - | **322** | 274 |
| Accounts payable and other liabilities | 151,795 | 677 | 3,590 | - | **156,062** | 131,811 |
| Total current liabilities | 479,610 | 245,526 | 62,124 | (229) | **787,031** | 511,928 |
| Noncurrent liabilities: | | | | | | |
| Bonds payable *(Note 6)* | - | 4,078,920 | 729,761 | - | **4,808,681** | 3,861,720 |
| Hybrid instrument borrowings *(Note 8)* | - | 713 | 637 | - | **1,350** | 2,282 |
| Net pension and OPEB liability - proportionate share | 20,395 | - | - | - | **20,395** | 25,532 |
| Notes payable *(Note 6)* | 38,937 | - | - | (38,560) | **377** | 436 |
| Other liabilities *(Note 6)* | 85,992 | - | - | - | **85,992** | 58,513 |
| Total noncurrent liabilities | 145,324 | 4,079,633 | 730,398 | (38,560) | **4,916,795** | 3,948,483 |
| **Total liabilities** | 624,934 | 4,325,159 | 792,522 | (38,789) | **5,703,826** | 4,460,411 |
| **Deferred inflows of resources** | | | | | | |
| Accumulated fair value of hedging derivatives | - | 76,675 | 30,404 | - | **107,079** | 79,842 |
| Pension and OPEB investment differences | 792 | - | - | - | **792** | 851 |
| **Total deferred inflows of resources** | 792 | 76,675 | 30,404 | - | **107,871** | 80,693 |
| **Net position** | | | | | | |
| Investment in capital assets, net of related debt | 10,593 | - | - | (9,060) | **1,533** | 1,969 |
| Restricted by grants | 2,638 | - | - | - | **2,638** | 7,344 |
| Restricted primarily by bond indentures | 29,637 | 35,011 | 94,429 | (29,500) | **129,577** | 96,955 |
| Unrestricted *(Note 11)* | 656,157 | - | - | 38,560 | **694,717** | 675,322 |
| **Total net position** | $ 699,025 | $ 35,011 | $ 94,429 | $ - | **$ 828,465** | $ 781,590 |

## Colorado Housing and Finance Authority
## Combining Schedule - Statement of Revenues, Expenses and Changes in Net Position

**For the year ended December 31, 2024**

***(with summarized financial information for the year ended December 31, 2023)***

***(in thousands of dollars)***

| | General Program | Single Family | Multifamily/ Business | Eliminations | **2024** | Summarized 2023 |
|---|---|---|---|---|---|---|
| **Interest income and expense:** | | | | | | |
| Interest on loans receivable | $ 20,924 | $ 9,861 | $ 27,882 | $ (966) | **$ 57,701** | $ 53,745 |
| Interest on investments | 10,709 | 178,169 | 7,828 | - | **196,706** | 115,781 |
| Interest on debt | (15,481) | (158,004) | (24,624) | 966 | **(197,143)** | (126,670) |
| Net interest income | 16,152 | 30,026 | 11,086 | - | **57,264** | 42,856 |
| **Other operating income (loss):** | | | | | | |
| Loan servicing income | 62,511 | - | - | - | **62,511** | 52,618 |
| Gain on sale of loans | 17,358 | - | - | - | **17,358** | 19,276 |
| Investment derivative activity gain (loss) | 913 | 1,171 | (50) | - | **2,034** | 358 |
| Net decrease in the fair value of investments | (8,762) | (499) | (744) | - | **(10,005)** | 51,099 |
| Other revenues | 18,845 | - | - | - | **18,845** | 18,974 |
| Total other operating income | 90,865 | 672 | (794) | - | **90,743** | 142,325 |
| Total operating income | 107,017 | 30,698 | 10,292 | - | **148,007** | 185,181 |
| **Operating expenses:** | | | | | | |
| Salaries and related benefits | 30,305 | - | - | - | **30,305** | 33,120 |
| General operating | 60,162 | 11,302 | 288 | - | **71,752** | 67,829 |
| Depreciation | 1,170 | - | - | - | **1,170** | 1,071 |
| Provision for losses | 1,202 | (120) | (539) | - | **543** | 10,065 |
| Total operating expenses | 92,839 | 11,182 | (251) | - | **103,770** | 112,085 |
| **Net operating income** | 14,178 | 19,516 | 10,543 | - | **44,237** | 73,096 |
| **Nonoperating income and expenses:** | | | | | | |
| Grant revenues | 193,574 | - | - | - | **193,574** | 188,388 |
| Grant expenses | (190,936) | - | - | - | **(190,936)** | (181,044) |
| Total nonoperating income and expenses, net | 2,638 | - | - | - | **2,638** | 7,344 |
| **Income (loss) before transfers** | 16,816 | 19,516 | 10,543 | - | **46,875** | 80,440 |
| **Transfers from (to) other programs** | 4,963 | (403) | (4,560) | - | **-** | - |
| **Change in net position** | 21,779 | 19,113 | 5,983 | - | **46,875** | 80,440 |
| **Net position:** | | | | | | |
| Beginning of year | 677,246 | 15,898 | 88,446 | - | **781,590** | 701,150 |
| End of year | $ 699,025 | $ 35,011 | $ 94,429 | $ - | **$ 828,465** | $ 781,590 |

## Colorado Housing and Finance Authority
## Combining Schedule - Statement of Cash Flows

**For the year ended December 31, 2024**

***(with summarized financial information for the year ended December 31, 2023)***

***(in thousands of dollars)***

| | General Program | Single Family | Multifamily/ Business | Eliminations | **2024** | Summarized 2023 |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | | |
| Principal payments received on loans receivable & receipts from dispositions of other real estate owned | $ 963,517 | $ 24,499 | $ 27,186 | $ - | **$ 1,015,202** | $ 728,948 |
| Interest payments received on loans receivable | 19,512 | 9,072 | 27,802 | (971) | **55,415** | 53,972 |
| Payments for loans receivable | (2,457,153) | (124,023) | (123,051) | (873) | **(2,705,100)** | (2,437,174) |
| Receipts from sales of Ginnie Mae securities | 1,388,795 | - | - | - | **1,388,795** | 1,547,610 |
| Changes in servicing escrows | 20,637 | - | - | - | **20,637** | 11,753 |
| Receipts from other revenues | 81,182 | - | - | - | **81,182** | 71,384 |
| Payments for salaries and related benefits | (34,948) | - | - | - | **(34,948)** | (6,958) |
| Payments for goods and services | (50,122) | (12,058) | 2,870 | - | **(59,310)** | (90,256) |
| All other, net | (1,618) | - | - | - | **(1,618)** | (31,361) |
| Net cash used in operating activities | (70,198) | (102,510) | (65,193) | (1,844) | **(239,745)** | (152,082) |
| **Cash flows from noncapital financing activities:** | | | | | | |
| Net increase (decrease) in short-term debt | 120,632 | - | - | - | **120,632** | 43,504 |
| Proceeds from issuance of bonds | - | 1,195,000 | 127,795 | - | **1,322,795** | 1,530,720 |
| Receipts from federal grant programs | 193,142 | - | - | - | **193,142** | 173,435 |
| Payments for federal grant programs | (190,936) | - | - | - | **(190,936)** | (181,044) |
| Principal paid on bonds | - | (228,234) | (37,810) | - | **(266,044)** | (231,565) |
| Principal paid on notes payable | (59) | - | - | - | **(59)** | (58) |
| Interest paid on short-term debt | (12,658) | - | - | - | **(12,658)** | (13,943) |
| Interest rate swap settlements | - | 16,903 | 4,834 | - | **21,737** | 18,464 |
| Interest paid on bonds | 19 | (156,291) | (28,575) | 4 | **(184,843)** | (100,282) |
| Interest paid on notes payable | (1,857) | - | - | - | **(1,857)** | (1,476) |
| Transfers to (from) other programs | 8,005 | (1,005) | (7,000) | - | **-** | - |
| Net cash provided by noncapital financing activities | 116,288 | 826,373 | 59,244 | 4 | **1,001,909** | 1,237,755 |
| **Cash flows from capital and related financing activities:** | | | | | | |
| Purchase of capital assets | (360) | - | - | - | **(360)** | (544) |
| Principal paid on capital-related debt | (874) | - | - | 874 | **-** | - |
| Interest paid on capital-related debt | (966) | - | - | 966 | **-** | - |
| Net cash provided by (used in) capital and related financing activities | (2,200) | - | - | 1,840 | **(360)** | (544) |
| **Cash flows from investing activities:** | | | | | | |
| Proceeds from maturities and sales of investments | 1,422,521 | 2,819,838 | 252,037 | - | **4,494,396** | 4,761,825 |
| Purchase of investments | (1,439,390) | (3,713,102) | (253,796) | - | **(5,406,288)** | (5,957,182) |
| Income received from investments | 10,333 | 169,401 | 7,708 | - | **187,442** | 106,355 |
| Net cash provided by (used in) investing activities | (6,536) | (723,863) | 5,949 | - | **(724,450)** | (1,089,002) |
| **Net increase (decrease) in cash** | 37,354 | - | - | - | **37,354** | (3,873) |
| Cash at beginning of year | 169,745 | - | - | - | **169,745** | 173,618 |
| Cash at end of year | $ 207,099 | $ - | $ - | $ - | **$ 207,099** | $ 169,745 |
| Restricted | $ 192,120 | $ - | $ - | $ - | **$ 192,120** | $ 155,828 |
| Unrestricted | 14,979 | - | - | - | **14,979** | 13,917 |
| Cash, end of year | $ 207,099 | $ - | $ - | $ - | **$ 207,099** | $ 169,745 |

*Continued on the next page.*

## Colorado Housing and Finance Authority
## Combining Schedule - Statement of Cash Flows *(continued)*

**For the year ended December 31, 2024**

***(with summarized financial information for the year ended December 31, 2023)***

***(in thousands of dollars)***

| | General Program | Single Family | Multifamily/ Business | Eliminations | **2024** | Summarized 2023 |
|---|---|---|---|---|---|---|
| **Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:** | | | | | | |
| Net operating income | $ 14,178 | $ 19,516 | $ 10,543 | $ - | **$ 44,237** | $ 73,096 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation expense | 1,169 | - | - | - | **1,169** | 1,071 |
| Amortization and fair value adjustments of service release premiums | 11,617 | - | - | - | **11,617** | 10,081 |
| Proportionate share of net pension and OPEB expense | (2,448) | - | - | - | **(2,448)** | 1,979 |
| Amortization of imputed debt associated with swaps | - | (304) | (767) | - | **(1,071)** | (774) |
| Provision for losses | 1,202 | (120) | (539) | - | **543** | 10,065 |
| Interest on investments | (10,709) | (178,169) | (7,828) | - | **(196,706)** | (115,781) |
| Interest on debt | 15,481 | 158,308 | 25,391 | (966) | **198,214** | 127,444 |
| Unrealized (gain) loss on investment derivatives | (913) | (1,171) | 50 | - | **(2,034)** | (358) |
| Unrealized (gain) loss on investments | 8,762 | 499 | 744 | - | **10,005** | (51,099) |
| Gain on sale of real estate owned | (29) | - | - | - | **(29)** | (27) |
| Gain on sale of loans | (17,358) | - | - | - | **(17,358)** | (19,276) |
| Changes in assets and liabilities: | | | | | | |
| Loans receivable and other real estate owned | (116,429) | (99,524) | (95,865) | (874) | **(312,692)** | (170,670) |
| Accrued interest receivable on loans and investments | (1,412) | (789) | (80) | (4) | **(2,285)** | 228 |
| Other assets | (19,963) | (282) | 1 | - | **(20,244)** | (45,603) |
| Accounts payable and other liabilities | 46,654 | (474) | 3,157 | - | **49,337** | 27,542 |
| Net cash used in operating activities | $ (70,198) | $ (102,510) | $ (65,193) | $ (1,844) | **$ (239,745)** | $ (152,082) |

Colorado Housing and Finance Authority
Schedule of Adjusted Net Worth
At December 31, 2024
*(in thousands of dollars)*

| | | | |
|---|---|---|---|
| A. | Adjusted net worth calculation: | | |
| | Net position per statement of net position at end of reporting period | | $ 828,465 |
| | Less: | | |
| | Itemized unacceptable assets | | |
| | 1. Other assets | $ 183,835 | |
| | Total unacceptable assets | | 183,835 |
| | Adjusted net worth | | $ 644,630 |
| B. | Required net worth calculation: | | |
| | Unpaid principal balance (UPB) of securities outstanding (Note: number of pools = 1,478) | | $ 8,737,767 |
| | Plus: | | |
| | Outstanding balance of available commitment authority and pools funded | | 606,130 |
| | Total outstanding portfolio, commitment authority and pools funded | | $ 9,343,897 |
| | Required net worth | | $ 45,652 |
| C. | Excess net worth (Adjusted net worth - required net worth) | | $ 598,978 |

Colorado Housing and Finance Authority
Schedule of Other Assets
At December 31, 2024
*(in thousands of dollars)*

| | | | |
|---|---|---|---|
| A. | Accrued interest income | $ | 35,413 |
| B. | Deferred debt cost of issuance | | - |
| C. | Other real estate owned | | 262 |
| | Total other asset included in adjusted net worth | $ | 35,675 |
| D. | Other assets excluded from adjusted net worth | | 183,835 |
| | Total current and noncurrent other assets | $ | 219,510 |

Colorado Housing and Finance Authority
Liquid Asset Requirement Calculation for Issuers
At December 31, 2024
*(in thousands of dollars)*

| | | | | |
|---|---|---|---|---|
| A. | Liquid asset calculation: | | | |
| | Required net worth (Schedule of Adjusted Net Worth, section B) | | $ 45,652 | |
| | Acceptable liquid assets | | | |
| | 1. Unrestricted cash | $ 14,979 | | |
| | Total liquid assets | | $ 14,979 | |
| B. | Required liquid asset: | | | |
| | | | | Meets requirements? |
| | Single family issuer liquidity requirement | | $ 12,526 | Yes / No |

colorado housing and finance authority

Colorado Housing and Finance Authority
Capital Requirement Calculation for Issuer
At December 31, 2024
*(in thousands of dollars)*

A. Capital requirement for depository institutions: not applicable to CHFA

| | |
|---|---|
| Tier 1 capital | $ _____ |
| Total capital | $ _____ |
| Risk-based assets | $ _____ |
| Total assets | $ _____ |

| | |
|---|---|
| Tier 1 capital/total assets | _____ % |
| Tier 1 capital/risk-based assets | _____ % |
| Total capital/risk-based assets | _____ % |

| | | Meets requirement? |
|---|---|---|
| 5% of tier 1 capital/total assets | $ _____ | Yes / No |
| 6% of tier 1 capital/risk-based assets | $ _____ | Yes / No |
| 10% of total capital/risk-based assets | $ _____ | Yes / No |

B. Capital requirement for nondepository institutions:

| | |
|---|---|
| Total adjusted net worth | $ 644,630 |
| Total assets | $ 6,615,280 |

| | | Meets requirement? |
|---|---|---|
| Total adjusted net worth/total assets | 9.74 % | Yes / No |

Colorado Housing and Finance Authority
Schedule of Insurance Requirement
At December 31, 2024
*(in thousands of dollars)*

| | | | |
|---|---|---|---|
| A. | Identification of affiliated Ginnie Mae Issuers | | |
| | Affiliated Ginnie Mae issuers: | | None |
| B. | Required insurance calculation: | | |
| | Servicing portfolio: | | |
| | Ginnie Mae | $ | 8,737,767 |
| | Fannie Mae | | 1,216,727 |
| | Freddie Mac | | 1,032,019 |
| | Conventional (other) | | 1,930,533 |
| | Total servicing portfolio | $ | 12,917,046 |
| | Required fidelity bond coverage | $ | 13,442 |
| | Required mortgage servicing errors and omissions coverage | $ | 13,442 |
| C. | Verification of insurance coverage: | | |
| | Fidelity bond coverage at end of reporting period | $ | 15,000 |
| | Mortgage servicing errors and omissions coverage at end of reporting period | $ | 15,000 |
| D. | Excess insurance coverage: | | |
| | Fidelity bond coverage | $ | 1,558 |
| | Required mortgage servicing errors and omissions coverage | $ | 1,558 |
| E. | Policies contain the required elements | | |
| | Fidelity bond coverage | | (Yes) No |
| | Mortgage servicing errors and omissions coverage | | (Yes) No |

The Authority certifies that it is in good standing with FHA, Fannie Mae and Freddie Mac, and has not been the subject of any adverse actions.

# hud reporting

CliftonLarsonAllen LLP
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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR HUD PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS*

Board of Directors
Colorado Housing and Finance Authority
Denver, Colorado

## Report on Compliance for the Major HUD Program

### *Opinion on the Major HUD Program*

We have audited Colorado Housing and Finance Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the *Consolidated Audit Guide for Audits of HUD Programs* (the Audit Guide) that could have a direct and material effect on the Authority's major U.S. Department of Housing and Urban Development (HUD) program for the year ended December 31, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major HUD program for the year ended December 31, 2024.

### *Basis for Opinion on the Major HUD Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Audit Guide. Our responsibilities under those standards and the Audit Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major HUD program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's HUD program.


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***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major HUD program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Colorado Housing and Finance Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Broomfield, Colorado
March 27, 2025

# what is chfa?

CHFA's mission is to strengthen Colorado by investing in affordable housing and community development. CHFA invests in loans, down payment assistance, and homebuyer education to support responsible homeownership. We provide loans and tax credits to developers of affordable rental housing, so all Coloradans may have access to a place to call home; and we help business owners access capital to help them grow and support jobs. CHFA strengthens local capacity through nonprofit and community partnerships providing technical assistance, grants, sponsorships, and donations.

CHFA's programs and services are informed by statewide community engagement. CHFA is self-funded. We are not a state agency. CHFA's operating revenues come from loan and investment income, program administration fees, loan servicing, and gains on sales of loans. CHFA receives no direct tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings. This document was designed and printed in house without the use of state general fund dollars.

CHFA's work revitalizes neighborhoods and creates jobs. We are proud to invest in Colorado's success. Visit www.chfainfo.com for more information.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority prohibits unlawful discrimination against applicants or employees on the basis of age 40 years and over, race, sex, sexual orientation, gender identity, gender expression, color, religion, national origin, disability, military status, genetic information, marital status or any other status protected by applicable federal, state or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, TDD/TTY 800.659.2656, CHFA, 1981 Blake Street, Denver, Colorado 80202-1272, available weekdays 8:00am to 5:00pm.

Prepared by:
CHFA Accounting Division

800.877.chfa (2432)
800.659.2656 tdd

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## APPENDIX H

## BOOK-ENTRY SYSTEM

*The following information in this section regarding DTC and the book-entry system is based solely on information provided by DTC. No representation is made by the Authority, the Underwriters or the Remarketing Agent as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

DTC is acting as securities depository for the Offered Bonds. The Offered Bonds have been 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. A fully registered Bond certificate has been issued for each maturity of the Offered Bonds, in the aggregate principal amount of such maturity, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The Authority, the Trustee, the Underwriters and the Remarketing Agent undertake no responsibility for and make no representation as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.*

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

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

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

While the Offered Bonds are in the book-entry system, redemption notices will be sent to DTC. If less than all of the Offered Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Offered Bonds to be redeemed.

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

Principal and interest payments on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Direct and Indirect Participant and not of DTC, the Trustee, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Authority, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Offered Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Offered Bonds by causing the Direct Participant to transfer the Participant's interest in the Offered Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Offered Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Offered Bonds are

transferred by Direct Participants on DTC's records and followed by a book-entry credit of such tendered Offered Bonds to the Paying Agent's DTC account.

THE AUTHORITY, THE TRUSTEE AND THE PAYING AGENT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO ANY OWNERSHIP INTEREST IN THE OFFERED BONDS, THE DELIVERY TO ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY NOTICE WITH RESPECT TO THE OFFERED BONDS, INCLUDING ANY NOTICE OF REDEMPTION, THE PAYMENT TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE OFFERED BONDS OR ANY CONSENT GIVEN BY CEDE & CO., AS NOMINEE OF DTC. SO LONG AS CERTIFICATES FOR THE OFFERED BONDS ARE NOT ISSUED PURSUANT TO THE INDENTURE AND THE OFFERED BONDS ARE REGISTERED TO DTC, THE AUTHORITY, THE PAYING AGENT, THE REMARKETING AGENT AND THE TRUSTEE SHALL TREAT DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY AS, AND DEEM DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY TO BE, THE ABSOLUTE OWNER OF THE OFFERED BONDS FOR ALL PURPOSES WHATSOEVER, INCLUDING WITHOUT LIMITATION (1) THE PAYMENT OF PRINCIPAL AND INTEREST ON THE OFFERED BONDS, (2) GIVING NOTICE OF REDEMPTION AND OTHER MATTERS WITH RESPECT TO THE OFFERED BONDS, (3) REGISTERING TRANSFERS WITH RESPECT TO THE OFFERED BONDS AND (4) THE SELECTION OF OFFERED BONDS FOR REDEMPTION.

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

**The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.**

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## APPENDIX I

## INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE

*The Mortgage Loans are required by the Master Indenture to be subject to mortgage insurance or guaranty to the extent required by any Series Indenture. The following is a description of the various insurance and guarantee programs which may be applicable in connection with certain Mortgage Loans. The following also includes a description of the Colorado foreclosure procedures which may apply to a Mortgage Loan in the case of a Mortgagor default.*

### FHA Insurance

The National Housing Act (the "**NHA**") of 1934, as amended, provides for various FHA mortgage insurance programs. The regulations governing the single-family programs under which the FHA-insured Mortgage Loans are insured provide that a Mortgage Loan will be considered to be in default if the Mortgagor fails to make any payment or perform any other obligation under the Mortgage, and such failure continues for a period of 30 days. Insurance benefits are payable to the Mortgagee upon acquisition of title (through foreclosure or otherwise) and conveyance of the Eligible Property to HUD.

HUD requires Mortgagees to explore alternatives to foreclosure. These may include a forbearance, a forbearance with a partial claim, or modification agreement, a pre-foreclosure sale, repayment plan, payment moratorium, HAMP ("**Home Affordable Modification Plan**"), or a deed in lieu of foreclosure. Utilization of certain alternatives to foreclosure may result in quicker receipt of the FHA insurance claim because the time required to complete a foreclosure is eliminated. Attempts to utilize alternatives to foreclosure which are unsuccessful may delay receipt of the FHA insurance claim due to a delay in commencement of foreclosure proceedings.

The FHA insurance claim for a Mortgage Loan will be paid in an amount equal to the outstanding principal balance plus allowable interest and, certain of the permitted costs and expenses of acquiring title to the Eligible Property. Interest is allowed (except for two months which is disallowed) at the HUD debenture rate which may be less than the Mortgage Loan interest rate.

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

Except in limited circumstances as approved by HUD, properties conveyed to HUD upon completion of the foreclosure process or other acquisition of title must be conveyed vacant. In some circumstances it may be necessary to evict a tenant or Mortgagor upon the completion of the foreclosure proceedings before the Eligible Property can be conveyed to HUD and the FHA insurance claim can be filed.

FHA insurance claims may be denied or curtailed in limited circumstances. An FHA insurance claim may be denied if there was fraud in the origination of the Mortgage Loan or if the Mortgagee is unable to deliver marketable title to HUD. Claims may be curtailed if DMI, as subservicer of the Mortgage Loans, fails to process the foreclosure in accordance with the FHA requirements or fails to adequately protect the Eligible Property. The Authority relies on the warranties and representations of the originating Mortgage

Lenders with respect to proper origination of the Mortgage Loans. If an insurance claim is denied or curtailed due to an error of the Mortgage Lender or DMI as subservicer, the Authority may have recourse to such Mortgage Lender or subservicer for reimbursement. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's or subservicer's financial condition at the time the claim arises.

**VA Guaranty**

The Veteran's Benefits Act of 1957, Public Law 85-857, as amended, permits a veteran (or in certain circumstances a veteran's spouse) to obtain a mortgage loan guaranty to finance the purchase of a one–to four-unit family dwelling at interest rates permitted by the VA.

The VA expects every realistic alternative to foreclosure which may be appropriate in each case to be explored before a Mortgage Loan is terminated through foreclosure. The VA will frequently request the servicer to pursue alternatives since the results are either reinstatement of the account or a faster termination than would be obtained through foreclosure.

Claims for the payment of a VA guaranty may be submitted when any default of the Mortgagor continues for a period of three months. A guaranty may be paid without the Mortgagee instituting foreclosure proceedings or otherwise acquiring title. A Mortgagee intending to institute foreclosure proceedings must send to the Administrator of Veteran Affairs a Notice of Default and Intention to Foreclose. The Blue Water Navy Vietnam Veterans Act of 2019, effective January 1, 2020, eliminated county loan limits for certain veterans on loans greater than $144,000. The guaranty provisions for mortgage loans generally are as follows: (i) for home and condominium loans of $45,000 or less, 50% of the loan amount is guaranteed; (ii) for home and condominium loans above $45,000 but not more than $56,250, $22,500 of the loan amount is guaranteed; (iii) for home and condominium loans above $56,250 but not more than $144,000, the lesser of $36,000 or 40% of the loan amount is guaranteed; and (iv) for home and condominium loans above $144,000, (x) 25% of the loan amount for veterans with full VA home loan guaranty entitlement and (y) 25% of the Freddie Mac conforming loan limits for veterans who have previously used and not restored the guaranty entitlement. The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness. Notwithstanding the dollar and percentage limitations of the guaranty, a Mortgagee will ordinarily suffer a monetary loss only when the difference between the unsatisfied indebtedness and the proceeds of any foreclosure sale of an Eligible Property is greater than the original guaranty as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a Mortgagee of unsatisfied indebtedness on a Mortgage upon the Mortgagee's obtaining title and assigning it to the VA.

In the case of a Mortgage Loan originated by a Mortgage Lender, the Authority relies on the originating Mortgage Lender for proper origination of such Mortgage Loan. If a guaranty claim is denied or curtailed due to the error of the Mortgage Lender or the subservicer, the Authority may have recourse to such Mortgage Lender or subservicer for reimbursement. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's or subservicer's financial condition at the time the claim arises.

**Rural Housing Service Guarantee**

Under the Rural Housing Service's Rural Housing Loan Guarantee Program, a Mortgagor may obtain a Mortgage Loan guaranteed by the Rural Housing Service ("**RHS**") covering mortgage financing of the purchase of an Eligible Property located in an RHS-designated rural area at interest rates permitted by the RHS. The RHS Rural Housing Loan Guarantee program is limited to only certain rural areas of the

State. Mortgagor and Mortgage Loan eligibility for such guarantees is subject to certain income, purchase price and other limitations in addition to the limitations applicable to all Mortgagors and Mortgage Loans.

The amount of the RHS loan guarantee is 90% of the principal amount of the Mortgage Loan. The maximum loss payment under the RHS guarantee will be the lesser of (i) 90% of the Original Loan Amount or (ii) 100% of any loss equal to or less than 35% of the Original Loan Amount plus 85% of any remaining loss up to 65% of the Original Loan Amount. The Original Loan Amount is defined for these purposes as the original promissory note amount minus any loan funds not actually disbursed to the Mortgagor or on behalf of the Mortgagor at the time the loan was made or thereafter. Loss includes only: (a) principal and interest evidenced by the promissory note; (b) any Mortgage Loan subsidy due and owing; and (c) any principal and interest indebtedness on RHS-approved protective advances for protection and preservation of the Eligible Property. Interest (including any subsidy) is covered by the RHS guarantee to the date of the final loss settlement when the Mortgagee conducts liquidation of the Eligible Property in an expeditious manner in accordance with RHS regulations.

When a Mortgage Loan becomes three payments delinquent, the account may be accelerated and the Mortgagee may proceed with foreclosure of the Mortgage Loan unless extenuating circumstances exist. The RHS requires Mortgagees to explore an acceptable alternative to foreclosure, although incentives are not paid to Mortgagees to implement the alternatives. Acceptable foreclosure alternatives include forbearance, modifications, repayment plan, pre-foreclosure sales and deeds in lieu of foreclosure.

Payment of loss is made within 60 days after the Mortgagee files a claim. A claim must be filed within 45-days after sale of the Eligible Property. Loss is determined by the difference between the unpaid principal balance of the mortgage loan, unpaid interest and advances approved by RHS and net proceeds from the Eligible Property. Normal costs of liquidation are also included in the loss payment. If the Mortgagee acquires title to the Eligible Property through the foreclosure process, the Mortgagee must submit a disposition plan to RHS for RHS concurrence. The Mortgagee has nine months from the date of acquisition to sell the Eligible Property. If the Eligible Property is sold in accordance with the plan, the actual net proceeds from the sale of the Eligible Property will be used to calculate the loss payment. If the Eligible Property is not sold within six months from the acquisition date (which period may be extended for 30 days with RHS approval to permit the closing on an offer received near the end of the six-month period) RHS will obtain a liquidation value appraisal of the Eligible Property which will be used to determine net proceeds for calculation of the loss payment.

If a third party acquires title to the Eligible Property from the foreclosure sale or as a result of a sale by the Mortgagor to cure or avoid a default, the actual sales price from the sale are used to calculate the loss payment. In some circumstances, the Mortgagee may be required to enforce a deficiency judgment against the Mortgagor before the loss payment will be paid. This may substantially delay payment. Any recovery on the mortgage loan by the Mortgagee after receipt of a loss payment must be shared with RHS in proportion to the loss borne by RHS and the Mortgagee.

RHS claims may be denied or curtailed in limited circumstances. A claim may be denied if there was fraud or misrepresentation that the Mortgagee knew about, participated in or condoned. Claims may be curtailed as a result of violation of usury laws, negligent servicing or failure to obtain required collateral.

In the case of a Mortgage Loan originated by a Mortgage Lender, the Authority relies on the originating Mortgage Lender for proper origination of such Mortgage Loan. If a guaranty claim is denied or curtailed due to the error of the Mortgage Lender or the subservicer, the Authority may have recourse to such Mortgage Lender or subservicer for reimbursement. See "PART II—THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's or subservicer's financial condition at the time the claim arises.

**Private Mortgage Insurance and Uninsured Mortgage Loans**

***Private Mortgage Insurance***. Under each Series Indenture, the Authority is authorized in certain circumstances to purchase PMI Mortgage Loans which are insured by a private mortgage insurance company approved by the Authority, which is qualified to do business in the State and qualified to provide insurance on mortgages purchased by Freddie Mac or Fannie Mae and which is rated, at the time each PMI Mortgage Loan is made or originated, by the agency then rating the Bonds at certain ratings designated in the Series Indenture.

In general, private mortgage insurance ("**PMI**") contracts provide for payment of insurance benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured mortgage loan and the continuance of such failure for a stated period. Under most PMI policies, the maximum insurable amounts range from 90% to 95% of the appraised value or selling price for owner-occupied dwellings, whichever is lower. Requirements of borrower equity vary according to the percentage of the mortgage to be insured. Certain insurers will credit toward the value of the land to be improved, trade-in property or work equity, a specified percentage of this amount if at least a minimum cash equity is met and the home is to be owner-occupied. Although there may be variations among insurers, available coverage by private mortgage insurers is generally limited to first mortgage loans or contracts on improved real estate, with amortization over the term of the loan or contract in substantially equal monthly payments, including accruals for taxes and insurance.

The Homeowners Protection Act of 1998 (the "**HPA**") provides for cancellation of PMI upon the following: (i) at the homeowner's request upon the date on which the principal balance of the mortgage loan is scheduled to reach 80% of the original value of the residence or the principal balance reaches 80% of the original value of the residence, (ii) automatically on the date on which the principal balance of the mortgage loan is scheduled to reach 78% of the original value of the residence or if the borrower is not then current on his or her mortgage loan payments, on the date on which the mortgagor subsequently becomes current on such payments, or (iii) in any event, on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan if the mortgagor is then current on his or her mortgage loan payments. The HPA also requires that mortgagors be provided with certain disclosures and notices regarding termination and cancellation of private mortgage insurance.

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

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

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

***Uninsured Mortgage Loans***. A Series Indenture may also permit the Authority in certain circumstances to make or purchase Uninsured Mortgage Loans which are neither governmentally guaranteed or insured nor insured by a private mortgage insurance company, as long as certain loan-to-value or other programmatic requirements contained in such Series Indenture are met.

**Colorado Foreclosure Law and Procedure**

The Mortgage Loans are evidenced by promissory notes and secured by deeds of trust encumbering the mortgaged property. The Colorado form of deed of trust is a unique three-party instrument that involves a public official, known as a public trustee, rather than a private trustee. The parties to a deed of trust are the borrower (i.e., the Mortgagor), the public trustee of the county in which the mortgaged property is located and the Mortgage Lender (generally referred to in a deed of trust as the beneficiary and herein as the Mortgagee). A deed of trust creates a lien on the mortgaged property in favor of the Mortgagee to secure repayment of the debt.

The public trustee's duties are generally limited to foreclosure of deeds of trust, issuance of certificates of purchase and deeds following foreclosure, releases of deeds of trust, and related matters. The public trustee will rarely have notice of a deed of trust until the Mortgagee elects to have the public trustee foreclose the deed of trust. Public trustees do not have discretionary or decision-making authority like judges. Rather, they perform the ministerial and procedural acts necessary to complete foreclosures in accordance with Colorado law.

A mortgagor's failure to perform a material covenant of the deed of trust (like failure to pay taxes or failure to pay the debt) generally constitutes a default entitling the Mortgagee to accelerate the debt and foreclose. To start foreclosure proceedings, the Mortgagee must present to the public trustee (i) the original or, for certain qualified holders (including the Authority), a copy of the promissory note or evidence of debt (or, except as provided in the following sentence with respect to "qualified holders," a lost instruments bond if the note or evidence of debt has been lost), (ii) any modifications to the original evidence of debt and the original endorsements or assignments to the current holder of the original evidence of debt, (iii) the original or copy of the recorded deed of trust together with any modifications or partial releases (and if copies are provided, in some cases they must be certified by the Clerk and Recorder or in other cases accompanied by the certificate of the holder that such holder is a "qualified holder"), (iv) an originally executed Notice of Election and Demand for Sale, and (v) the Combined Notice of Sale and Notice of Rights to Cure or Redeem (the "**Combined Notice**") and other required notices, certificates and affidavits and mailing list for the notices. Certain types of Mortgagees, which include the Authority, are defined to be "qualified holders" and may commence foreclosure by presenting a copy of the original evidence of debt instead of the original instrument or a bond. If the Mortgagee presents a copy of the evidence of debt, the Mortgagee is liable to a person incurring a loss if the original evidence of debt is subsequently presented for payment. The public trustee must record the Notice of Election and Demand for Sale in the appropriate clerk and recorder's office within 10 business days after receipt of a complete filing.

The public trustee also causes the Combined Notice to be published. The Combined Notice must be published once per week for five successive weeks in a newspaper of general circulation in the county where the mortgaged property is located. Within 20 days after the recording of the Notice of Election and Demand, copies of the Combined Notice must be sent to the borrower, Grantor of the Deed of Trust, Guarantors, and "occupants" as designated by statute and who are listed on a mailing list provided by the Mortgagee's attorney. No more than 60 nor fewer than 45 days prior to the first scheduled date of sale, the public trustee is required to again send the Combined Notice to the persons identified in the preceding sentence as well as to the owner of the property as of the date of recording of the Notice of Election and Demand and each person who appears to have an interest in the property prior to the date of the recording

of the Notice of Election and Demand (if such person's interest in the property may be extinguished by the foreclosure).

The Mortgagee may elect to preserve certain junior interests (like easements or leases) that would otherwise be extinguished by the foreclosure by recording a Notice to Affirm.

A right to redeem inures to certain holders of recorded junior interests that were recorded prior to the recording of the Notice of Election and Demand for Sale. A right to cure inures to the owner of the mortgaged property as of the recording of the Notice of Election and Demand and certain transferees, parties liable on the debt, sureties and guarantors of the debt and holders of an interest junior to the lien being foreclosed that was recorded prior to the recording of the Notice of Election and Demand for Sale.

A public trustee foreclosure sale is scheduled by the public trustee to occur no fewer than 110 days and no more than 125 days after the date of recording the Notice of Election and Demand for Sale for non-agricultural property. For agricultural property the sale is to be scheduled 215 to 230 days after the recording of the Notice of Election and Demand. If it is not evident from the legal description in the deed of trust, the public trustee will determine if the property is agricultural based on certain evidence such as the property being part of a subdivision plat or a written statement of an official that the property was within incorporated city limits. The public trustee shall accept as evidence that the property is agricultural a written statement from the assessor that all of the property is assessed as agricultural property. The sale date may be extended by the Mortgagee from time to time and by the public trustee for other reasons provided by statute.

Prior to the foreclosure sale, the Mortgagee must obtain an Order Authorizing Sale in an appropriate Colorado District Court pursuant to Rule 120 of the Colorado Rules of Civil Procedure. Notice of a Rule 120 hearing must be provided to the persons designated by Rule 120, and in the case of residential property, notice of the hearing must be posted in a conspicuous place on the property not less than 14 days before the date set for the hearing. An order authorizing the public trustee foreclosure sale will be issued if the court determines that venue is proper, there is a reasonable probability that a default has occurred entitling the Mortgagee to foreclose and no interested party is entitled to protection of the Servicemembers' Civil Relief Act of 1940, as amended (the "**Relief Act**"). The scope of the Rule 120 hearing shall not extend beyond the existence of a default authorizing the exercise of a power of sale under the terms of the deed of trust; consideration by the court of the requirements of the Relief Act; whether the moving party is the real party in interest; and whether the status of any request for a loan modification agreement bars a foreclosure sale as a matter of law.

Mortgagors called to active duty after obtaining a Mortgage Loan are entitled to the benefit of the Relief Act. Under the Relief Act a mortgagor may be granted certain relief from the mortgage obligations during active military service and for one year after the end of the period of military service. Such relief includes: (i) an adjustment of the service member's obligation to preserve the interest of all parties; and (ii) a stay of foreclosure proceedings. Such relief may reduce revenues received by the Authority during such period.

When foreclosure is initiated due to the nonpayment of sums due under the promissory note or deed of trust (such as principal, interest or real estate taxes), parties entitled by statute to cure who wish to exercise such cure rights must preserve the right to cure by filing a Notice of Intent to Cure with the public trustee at least 15 days prior to the date of the foreclosure sale. The Public Trustee is then required to promptly (but no later than 12 calendar days prior to the date of sale) request the amount required to cure the default from the Mortgagee. The Mortgagee must file with the public trustee a statement of the amount needed to cure the foreclosure no later than the earlier of 10 business days after receipt of the request or the eighth business day prior to the foreclosure sale. If these deadlines are not met, the foreclosure will be

postponed thereafter from week to week. The party wishing to cure the default must pay the public trustee all delinquent principal, interest and other amounts due plus the costs and expense of the foreclosure, including attorneys' fees, on or before noon of the day prior to the foreclosure sale to effectuate the cure. After the default is cured the Mortgagee must terminate the foreclosure proceedings. The Mortgagee may, but is not obligated to, accept a cure and terminate the foreclosure proceedings even if the statutory requirements are not met.

If the Mortgage Loan is not cured, the public trustee will sell the mortgaged property at the foreclosure sale to the highest bidder. The foreclosure sale may be continued by the Mortgagee for up to 12 months from the originally designated date in the Combined Notice (such 12 month period does not include any time periods that an automatic stay in bankruptcy or injunction is in effect). Anyone may bid at the sale. There is no obligation for the Mortgagee to bid any amount in excess of the outstanding debt. Any bid by the Mortgagee which is less than the outstanding debt must be at least the Mortgagee's good faith estimate of the fair market value of the mortgaged property (less unpaid taxes, the amount of senior liens and estimated reasonable costs and expenses, net of income, of holding, marketing and selling such property). The failure of the mortgagee to bid a good faith estimate of the fair market value of the mortgaged property will not affect the validity of the foreclosure sale but may be raised as a defense by a person sued on a deficiency. The public trustee will issue a Certificate of Purchase to the successful bidder. Title to the property vests in the holder of the Certificate of Purchase upon the close of business, eight business days after the sale date if no notice of intent to redeem was filed. If a notice of intent to redeem was filed, the title vests upon the expiration of all redemption periods.

Certain holders of recorded junior interests have redemption rights if they timely file a Notice of Intent to Redeem. The most senior junior lienholder may redeem between 15 and 19 business days after the sale date and each subsequent junior lienholder has (in order of priority of the liens) five business days to redeem. To preserve the right to redeem, a junior lienholder must file a notice of intent to redeem and other documents with the public trustee within eight business days after the foreclosure sale. Title to the property will vest in the holder of the Certificate of Purchase upon the close of business eight days after the sale date if no notice of intent to redeem was filed. If a notice of intent to redeem was filed, and no redemption has occurred, the title vests in the holder of the Certificate of Purchase upon the expiration of all redemption periods. The public trustee will issue a deed to the holder of the Certificate of Purchase or the last redeeming junior lienholder, as the case may be. The public trustee confirmation deed will convey the mortgaged property free of all junior interests except junior interests the Mortgagee elected to affirm or which were not sent proper notices of the foreclosure as required by statute. Special rules apply with respect to junior liens which are held by the IRS or other federal agencies. The public trustee's confirmation deed will be junior to the lien for real property taxes and assessments and to all liens and interests, if any, which were senior to the deed of trust foreclosed and possibly to a portion of a lien for unpaid homeowner association dues equal to approximately six months of regular installments.

Judicial foreclosure may be required or advisable in certain circumstances, including where there are defects in title, where there is a need to reform the Mortgage Loan documents to correct an error, or where there is a dispute about the priority of the deed of trust. Generally, a judicial foreclosure will take substantially longer and be significantly more expensive than a public trustee foreclosure.

In addition to the statutory requirements with respect to a foreclosure in Colorado, other restrictions may be imposed by the Mortgage Loan documents or by the VA, FHA, Rural Housing Service, FNMA/FHLMC, or a private insurer. FNMA/FHLMC, VA, and FHA encourage Mortgage Lenders to avoid foreclosure wherever possible. VA, FHA and Rural Housing Service also have special programs for certain borrowers whose defaults are caused by circumstances outside of their control, as described in "VA Guaranty," "Rural Housing Service Guarantee" and "FHA Insurance" under this caption. Certain loan documents for the Mortgage Loans may incorporate restrictions from the FNMA/FHLMC Colorado

Uniform Security Instrument which require the Mortgagee to give the Mortgagor 30 days' notice prior to accelerating the Mortgage Loan unless the default is violation of the due-on-sale clause.

In the event a Mortgagor files a bankruptcy petition, the foreclosure proceedings are automatically stayed until the Mortgagee is granted relief from stay or the bankruptcy action is dismissed. The Mortgagee may not be granted relief from stay in certain cases. If a bankruptcy petition is filed after all publications of the Combined Notice as required by Colorado law have been completed, the sale date will be automatically postponed week to week for as long as the automatic stay is in effect. Upon obtaining relief from stay or upon dismissal of the bankruptcy, the sale can be held at the next available sale date. If a bankruptcy petition is filed prior to completion of the publication of all of the Combined Notices as required by Colorado law, the remaining notices must be cancelled. If the Mortgagee obtains relief from stay or the bankruptcy is dismissed, the Mortgagee must re-record the Notice of Election and Demand for Sale and all required notices must be given before a foreclosure sale may be held.

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## APPENDIX J

## FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "**Disclosure Certificate**") is executed and delivered by the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "**Authority**"), in connection with the offering of the Authority's Single Family Mortgage Class I Bonds, 2025 Series I (AMT) (Social Bonds), Single Family Mortgage Class III Bonds, 2025 Series J (Non-AMT) (Social Bonds), Single Family Mortgage Class I Bonds, 2025 Series K-1 (Federally Taxable) (Social Bonds) and Single Family Mortgage Class I Adjustable Rate Bonds, 2025 Series K-2 (Federally Taxable) (Social Bonds) (the "**Series Bonds**"). The Series Bonds have been issued pursuant to a Master Indenture of Trust dated as of October 1, 2001, as supplemented and amended (the "**Master Indenture**"), and pursuant to a 2025IJK Series Indenture dated as of July 1, 2025 (the "**Series Indenture**" and, together with the Master Indenture, the "**Indenture**"), each between the Authority and Zions Bancorporation, National Association (formerly Zions First National Bank), Denver, Colorado, as trustee. The Authority may issue additional series of bonds under the Master Indenture upon satisfaction of the conditions set forth in the Master Indenture. All bonds and notes issued under the Master Indenture, including the Series Bonds, are referred to herein as the "**Bonds**." Capitalized terms used but not defined herein shall have meanings ascribed thereto in the Indenture or in the Official Statement (defined below). The Authority covenants and agrees as follows:

### Background

1. The Series Bonds have been issued to provide funds to finance or refinance the purchase of mortgage loans under the Authority's Single Family Mortgage Program (as defined in the Official Statement), to establish necessary reserves, or to otherwise attain the goals of the Authority pursuant to the Colorado Housing and Finance Authority Act.

2. In order to allow the Participating Underwriter (as defined in the Rule defined below) of the Series Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), as amended to the date hereof (the "**Rule**" or "**Rule 15c2-12**"), the Authority has agreed to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Series Bonds.

3. This Disclosure Certificate is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

### Authority Covenants and Agreements

**Section 1. Definitions**.

(a) "*Annual Financial Information*" means the financial information or operating data with respect to the Authority and any loan program financed under the Master Indenture, delivered at least annually pursuant to Sections 2(a) and 2(b) hereof, substantially similar to the type set forth in the Official Statement as described in **Exhibit A** hereto, including but not limited to such financial information and operating data set forth in (i) "PART I—CERTAIN PROGRAM ASSUMPTIONS," (ii) "PART II—COLORADO HOUSING AND FINANCE AUTHORITY" and (iii) the tables set forth in Appendix B-1—THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS; and Appendix B-2—THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES (other than the table appearing under the caption "—PMI Mortgage Loans and Private Insurers") in the Official Statement.

(b) "*Audited Financial Statements*" means the annual financial statements for the Authority, prepared in accordance with generally accepted accounting principles consistently applied, as in effect from time to time, audited by a firm of certified public accountants.

(c) "*EMMA*" means the MSRB's Electronic Municipal Market Access System, with a portal at http://emma.msrb.org.

(d) "*Events*" means any of the events listed in Section 2(d) hereof.

(e) "*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

(f) "*MSRB*" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street, N.W., Suite 1000, Washington, D.C. 20005; fax: 202-898-1500.

(g) "*Official Statement*" means the Official Statement delivered in connection with the offering of the Series Bonds.

(h) "*Participating Underwriter*" means any of the original underwriters of the Series Bonds required to comply with Rule 15c2-12 in connection with the offering of the Series Bonds.

(i) "*Rule 15c2-12*" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12), as the same may be amended from time to time.

(j) "*SEC*" means the Securities and Exchange Commission.

**Section 2. Provision of Annual Information and Reporting of Events**.

(a) Commencing with the fiscal year in which the Series Bonds are issued and annually while the Bonds remain outstanding, the Authority agrees to provide or cause to be provided annually to EMMA (with a copy, upon request, to the Participating Underwriter) the following information:

(i) Annual Financial Information; and

(ii) Audited Financial Statements, if prepared.

(b) Such Annual Financial Information shall be provided not later than 240 days after the end of each fiscal year for the Authority (i.e., each December 31). If not provided at the same time as the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The Authority may provide Annual Financial Information and Audited Financial Statements by specific reference to other documents, including information reports and Official Statements relating to other debt issues of the Authority, which have been submitted to each repository or repositories as required by Rule 15c2-12; provided, however, that if the document so referenced is a final Official Statement within the meaning of Rule 15c2-12, such final Official

Statement must also be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by cross-reference.

(d) (i) At any time the Series Bonds are outstanding, in a timely manner not in excess of 10 business days after the occurrence of an event, the Authority shall provide to EMMA notice of the occurrence of any of the following Events with respect to the Series Bonds:

(A) principal and interest payment delinquencies;

(B) unscheduled draws on debt service reserves reflecting financial difficulties;

(C) unscheduled draws on credit enhancements reflecting financial difficulties;

(D) substitution of credit or liquidity providers, or their failure to perform;

(E) 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 Bonds, or other material events affecting the tax status of the Bonds;

(F) tender offers;

(G) defeasances;

(H) rating changes;

(I) bankruptcy, insolvency, receivership, or similar event of the obligated person; and

(J) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For the purposes of the event identified in paragraph (2)(d)(i)(I) hereof, the event is considered to occur when any of the following occur: (1) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 (2) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ii) At any time the Series Bonds are outstanding, in a timely manner not in excess of 10 business days after the occurrence of an event, the Authority shall provide to

EMMA notice of the occurrence of any of the following Events with respect to the Bonds, *if material*:

(A) non-payment related defaults;

(B) modifications to the rights of the beneficial owners of the Bonds;

(C) bond calls;

(D) release, substitution or sale of property securing repayment of the Bonds;

(E) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and

(F) appointment of a successor or additional trustee or a change in the name of a trustee; and

(G) incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders.

(e) At any time the Series Bonds are outstanding, the Authority shall provide, in a timely manner, to EMMA, with a copy to the Participating Underwriter, notice of any failure of the Authority to timely provide the Annual Financial Information as specified in Sections 2(a) and 2(b) hereof.

**Section 3. Method of Transmission**. The Authority shall employ such methods of electronic or physical information transmission, and include such identifying information, as is requested or recommended by the MSRB unless otherwise required by law.

**Section 4. Enforcement**. The obligations of the Authority hereunder shall be for the benefit of the owners (including beneficial owners) of the Series Bonds. The owner or beneficial owner of any Series Bonds is authorized to take action to seek specific performance by court order to compel the Authority to comply with its obligations under this Disclosure Certificate, which action shall be the exclusive remedy available to it or to any other owners or beneficial owners of the Series Bonds; provided, that any owner or beneficial owner of Series Bonds seeking to require the Authority to comply with this Disclosure Certificate shall first provide at least 30 days' prior written notice to the Authority of the Authority's failure, giving reasonable detail of such failure following which notice the Authority shall have 30 days to comply. Any such action shall be brought only in a court of competent jurisdiction in the City and County of Denver, Colorado. Breach of the obligations of the Authority hereunder shall not constitute an Event of Default under the Indenture and none of the rights and remedies provided by the Indenture shall be available to the owners of the Series Bonds or the Trustee therein appointed.

**Section 5. Additional Information**. Nothing in the Disclosure Certificate shall be deemed to prevent the Authority 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 annual

information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Certificate; provided that the Authority shall not be required to do so. If the Authority chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include such information in any future annual filing or Event filing.

**Section 6. Term**. This Disclosure Certificate shall be in effect from and after offering and delivery of the Series Bonds and shall extend to the earliest of (i) the date all principal and interest on the Series Bonds shall have been deemed paid or legally defeased pursuant to the terms of the Indenture; (ii) the date that the Authority shall no longer constitute an "obligated person" with respect to the Series Bonds within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 which require this Disclosure Certificate are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series Bonds, the determination of (i), (ii) or (iii) herein to be made in any manner deemed appropriate by the Authority, including by an opinion of counsel experienced in federal securities law selected by the Authority.

**Section 7. Amendments and Waivers**. Notwithstanding any other provision of the Disclosure Certificate, the Authority may amend this Disclosure Certificate from time to time, and any provision of this Disclosure Certificate may be waived, without the consent of the owners or beneficial owners of the Series Bonds upon the Authority's receipt of an opinion of counsel experienced in federal securities laws to the effect that such amendment or waiver will not adversely affect compliance with Rule 15c2-12. Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The Authority shall provide notice of such amendment or waiver to EMMA as required by Rule 15c2-12 and the Participating Underwriter.

**Section 8. Beneficiaries**. The Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter and the owners (including beneficial owners) from time to time of the Series Bonds, and shall create no rights in any other person or entity.

Dated as of July 16, 2025.

COLORADO HOUSING AND FINANCE AUTHORITY

By _____
Chief Financial Officer

## EXHIBIT A

The Authority's Annual Financial Information shall contain or include by reference tables setting forth the following information, as of the end of the Authority's fiscal year (December 31):

(a) For each maturity of each series of Bonds outstanding under the Master Indenture: (i) the maturity date of such Bonds, Bond type (serial or term), the interest rate on such Bonds, principal redemptions, original aggregate principal amount of such Bonds and the principal amount of such Bonds remaining Outstanding; and (ii) a list of unscheduled redemptions including the date of call, amount and type of call.

(b) During the period for the acquisition of Mortgage Loans with the proceeds of the Series Bonds, the original amount of funds available for the acquisition of Mortgage Loans, the total amount of funds committed by the Authority for individual Mortgage Loans, and the total principal amount of Mortgage Loans purchased by the Authority. This information will not be provided after the period for the acquisition of Mortgage Loans with the proceeds of the Series Bonds.

(c) The amount and type of assets (and, if applicable, the rate and maturity date of such assets) credited to the Acquisition Account, the Revenue Account, the Loan Recycling Account, the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund, the Redemption Fund, the Short Term Bond Account and the various subaccounts in each of the above-referenced funds or accounts; and the current amount of assets credited to the Debt Service Reserve Fund and its various subaccounts.

(d) With respect to each Series of Bonds, the outstanding aggregate principal balance of Mortgage Loans, the aggregate number of outstanding Mortgage Loans, the average principal balance per Mortgage Loan, average coupon and weighted average maturity.

(e) With respect to each Series of Bonds, a breakdown of the type of housing, expressed as a percentage of Mortgage Loans outstanding, showing the extent to which: (i) the housing is single-family detached, condominium/townhomes or other (specify); (ii) the housing is new construction or existing homes; and (iii) the housing is insured by the FHA, insured by private mortgage insurance, insured by the Rural Housing Service, guaranteed by the VA or uninsured.

(f) With respect to each Series of Bonds, the number of loans financed, the number of loans prepaid in full, the number of loans foreclosed to date, the number of loans outstanding, the number of delinquent 30-90 days, the percentage of total loans delinquent 30-90 days, the number of delinquencies 90 or more days, the percentage of total loans delinquent 90 or more days, the number of loans in foreclosure, the percentage of total loans in foreclosure and the percentage of all loans delinquent.

(g) With respect to each Series of Bonds, the amount of total assets, the amount of total liabilities and the amount of surplus or deficit.

## APPENDIX K-1

## GNMA MORTGAGE-BACKED SECURITIES PROGRAM

*The summary of the GNMA Program, Ginnie Mae Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide (the "**GNMA Guide**") (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410, or at http://www.ginniemae.gov) and to the Ginnie Mae Certificates and other documents for full and complete statements of their provisions. Neither the Authority nor the Underwriters make any representation with respect to the accuracy or completeness of this summary.*

### General

Ginnie Mae is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("**HUD**") with its principal office located in Washington, D.C.

Ginnie Mae is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "**National Housing Act**"), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by trusts or pools composed of Mortgage Loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen's Readjustment Act of 1944, as amended, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the United States Department of Agriculture under the Rural Development Program. Section 306(g) further provides that "[t]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated December 9, 1969, of an Assistant Attorney General of the United States that such guarantees under Section 306(g) of mortgage-backed certificates are authorized to be made by Ginnie Mae and "would constitute general obligations of the United States backed by its full faith and credit."

There are two GNMA Mortgage-Backed Securities Programs, GNMA I MBS and GNMA II MBS.

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

Under the terms of its guaranty, Ginnie Mae also warrants to the holder of the Ginnie Mae Certificate that, in the event Ginnie Mae is called upon at any time to make payment on its guaranty of the

principal of and interest on the Ginnie Mae Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury for a loan or loans in amounts sufficient to make such payments of principal and interest.

**Servicing of the Mortgages**

Under contractual agreements entered into by and between the servicer and Ginnie Mae, the servicer is responsible for servicing and otherwise administering the Mortgage Loans underlying the Ginnie Mae Certificates in accordance with generally accepted practices of the mortgage lending industry and the GNMA Guide. The Authority acts as the Servicer of the GNMA MBS in the Trust Estate which secure the Bonds under the Master Indenture.

The monthly remuneration of the servicer, for its servicing and administrative functions, and the guaranty fee charged by Ginnie Mae, are based on the unpaid principal amount of the Ginnie Mae Certificates outstanding. Each Ginnie Mae I Certificate carries an interest rate that is fixed below the lowest interest rate on the underlying Mortgage Loans because the servicing and guarantee fees are deducted from payments on the Mortgage Loans before the payments are passed through to the owner of the Ginnie Mae Certificate.

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

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

**Default by Servicer**

In the event of a default by the servicer, Ginnie Mae will have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the Mortgage Loans underlying the Ginnie Mae Certificates, and such Mortgage Loans will thereupon become the absolute property of Ginnie Mae, subject only to the unsatisfied rights of the owner of the Ginnie Mae Certificate. In such event, Ginnie Mae will be the successor in all respects to the servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

**Payment of Principal and Interest on the Ginnie Mae Certificates**

Under the GNMA I MBS Program, the servicer is to make separate payments, by the fifteenth day of each month (or, if the fifteenth day is not a business day, then the next business day), directly to each owner of Ginnie Mae Certificates for each of the Ginnie Mae Certificates held. Under the GNMA II MBS Program, the servicer is to make separate payments by the twentieth day of each month (or, if the twentieth day is not a business day, then the next business day).

Payment of principal of each Ginnie Mae Certificate is expected to commence on the fifteenth day (in the case of GNMA I MBS) and the twentieth day (in the case of GNMA II MBS) of the month following issuance of the Ginnie Mae Certificate.

Each installment on a Ginnie Mae Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the Ginnie Mae Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the Ginnie Mae Certificate. The amount of principal due on the Ginnie Mae Certificate will be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans based on reporting from the issuer. However, payment of principal and interest is to be adjustable as set forth below.

Each of the monthly installments on a Ginnie Mae Certificate is subject to adjustment by reason of any prepayments or other unscheduled recoveries of principal on the underlying Mortgage Loans. In any event, the servicer will pay to the holder of the Ginnie Mae Certificate monthly installments of not less than the interest due on the Ginnie Mae Certificate at the rate specified in the Ginnie Mae Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagors, and any prepayments or early recovery of principal. Final payment will be made only upon surrender of the outstanding Ginnie Mae Certificate.

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## APPENDIX K-2

## FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

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

### General

Federal National Mortgage Association ("**Fannie Mae**") is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and was transformed into a stockholder-owned and privately managed corporation by legislation enacted in 1968. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

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

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

### Fannie Mae Mortgage-Backed Securities Program

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

The terms of the Fannie Mae MBS Program are governed by the Fannie Mae Guides, as modified by a pool purchase contract, and, in the case of mortgage loans such as the Mortgage Loans, a 2009 Single-Family Master Trust Agreement dated as of January 1, 2009, as amended from time to time, and a supplement thereto to be issued by Fannie Mae in connection with each pool. The Fannie Mae MBS Program is further described in a prospectus issued by Fannie Mae (the "**Fannie Mae Prospectus**"). The Fannie Mae Prospectus is updated from time to time. A Fannie Mae Prospectus Supplement may not be available as to Fannie Mae Certificates acquired pursuant to the Program. The Authority does not and will

not participate in the preparation of the Fannie Mae Prospectus, annual reports, quarterly reports, proxy statements or any other documents issued by Fannie Mae.

**Fannie Mae Certificates**

Fannie May Certificates are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Certificate is now a UMBS. See PART II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – The Mortgage Loans and Mortgage-Backed Securities – *Mortgage Backed Securities.* Any Fannie Mae Certificate acquired by the Authority will represent a fractional undivided interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the servicer and identified in records maintained by Fannie Mae. The Mortgage Loans backing each Fannie Mae Certificate will bear interest at a specified rate per annum, and each Fannie Mae Certificate will bear interest at a lower rate per annum (the "**pass-through rate**"). The difference between the interest rate on the conventional mortgage loans and the pass-through rate on the Fannie Mae Certificate will be collected by the servicer and used to pay the servicer's servicing fee and Fannie Mae's guaranty fee. Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the Mortgage Loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full principal balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received.

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

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

Payments on a Fannie Mae Certificate are made to the owner thereof on the twenty-fifth day of each month (beginning with the month following the month such Fannie Mae Certificate is issued) or, if such twenty-fifth day is not a business day, on the first business day next succeeding such twenty-fifth day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the beneficial owner an amount equal to the total of (a) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (b) the stated principal balance of any Mortgage Loan that was prepaid in full during the calendar month immediately preceding the month of such distribution (including as prepaid for this purpose any Mortgage Loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the Mortgage Loan after it is delinquent, in whole or in part with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances as permitted by the Fannie Mae Trust Indenture), (c) the amount of any partial prepayment of a Mortgage Loan received during the calendar month immediately preceding the month of distribution (during the second preceding calendar month, for pools of loans formed from the Fannie Mae portfolio that are serviced on a basis that requires remittance of actual payments to Fannie Mae instead of scheduled payments) and (d) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the holder thereof in

connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

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

**Reduced Guaranty Fees**

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

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## APPENDIX K-3

## FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM

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

### General

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

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

### Freddie Mac Guarantor Program

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

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

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

**Freddie Mac Certificates**

Freddie Mac Certificates will be mortgage participation certificates issued under Freddie Mac's Guarantor Program. As of June 3, 2019, each Freddie Mac Certificate is now a UMBS. See PART II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – The Mortgage Loans and Mortgage-Backed Securities – *Mortgage Backed Securities.* Under the Guarantor Program, the annual pass-through rate on a Freddie Mac Certificate is established based upon the lowest interest rate on the underlying mortgage loans, minus a minimum servicing fee and the amount of Freddie Mac's management and guarantee fee as agreed upon between the Servicer and Freddie Mac. The lowest interest rate on a mortgage loan in a Certificate Pool will be greater than or equal to the annual pass-through rate on the related Freddie Mac Certificate plus a minimum servicing fee and Freddie Mac's management and guarantee fee, and the highest interest rate will not exceed two and one-half percentage points above the pass-through rate.

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

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

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

**Reduced Guaranty Fees**

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

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## APPENDIX L

## USE OF PROCEEDS REPORT*

| The 2025 Series IJK Bond Proceeds Summary | | |
|---|---|---|
| Total Proceeds Deposited In Acquisition Account | Proceeds Spent to Acquire 2025IJK Mortgage Loans | Proceeds Remaining |
| $ _____ | $ _____ | $ _____ |

| **2025IJK Mortgage Loans Originated By Borrower Income as a % of Area Median Income ("AMI")†** | | | |
|---|---|---|---|
| **% of AMI:** | **$ of Loans** | **# of Loans** | **% of Proceeds** |
| <50% | | | |
| 50% - 59% | | | |
| 60% - 69% | | | |
| 70% - 79% | | | |
| 80% - 89% | | | |
| 90% - 99% | | | |
| 100%+ | | | |

| **Down Payment Assistance ("DPA") Provided In Conjunction with 2025IJK Mortgage Loans** | |
|---|---|
| | **$ / # / %** |
| Total DPA Provided ($) | |
| Total DPA Provided (#) | |
| % of Borrowers Receiving DPA (%) | |
| Average DPA Provided per Borrower ($) | |
| Average DPA Provided (% of Purchase Price) | |

* As described in the Official Statement under the heading "PART I— DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS – Social Bond Designation," once all of the Offered Bond proceeds have been spent from the 2025 Series IJK subaccount of the Acquisition Account, the Authority will provide this information on EMMA with respect to all of the 2025IJK Mortgage Loans financed with proceeds of the Offered Bonds.

† Reported income is based on borrower income at time of loan origination.

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# APPENDIX M

## KESTREL'S SECOND PARTY OPINION

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# Second Party Opinion

| | |
|---|---|
| **Issuer:** | **Colorado Housing and Finance Authority** |
| **Issue Description:** | Single Family Mortgage Bonds<br>Class I Bonds 2025 Series I (AMT) (Social Bonds)<br>Class III Bonds 2025 Series J (Non-AMT) (Social Bonds)<br>Class I Bonds 2025 Series K-1 (Federally Taxable) (Social Bonds)<br>Class I Adjustable Rate Bonds 2025 Series K-2 (Federally Taxable) (Social Bonds) |
| **Project:** | CHFA FirstStep℠ Program |
| **Social Standard:** | ICMA Social Bond Principles |
| **Social Categories:** | Affordable Housing<br>Access to Essential Services<br>Socioeconomic Advancement and Empowerment |
| **Target Populations:** | Low- and moderate-income populations |
| **Keywords:** | Homeownership; affordable housing; downpayment assistance; rural, Black, Indigenous, and persons of color; underserved households; homeownership gap; wealth inequality; Colorado |
| **Par:** | $200,000,000 |
| **Evaluation Date:** | May 30, 2025 |

## SOCIAL BONDS DESIGNATION

Kestrel, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of the Colorado Housing and Finance Authority Single Family Mortgage Bonds Class I Bonds 2025 Series I (AMT) (Social Bonds), Class III Bonds 2025 Series J (Non-AMT) (Social Bonds), Class I Bonds 2025 Series K-1 (Federally Taxable) (Social Bonds) (Social Bonds), and Class I Adjustable Rate Bonds 2025 Series K-2 (Federally Taxable (Social Bonds) (the "Offered Bonds") to evaluate conformance with the Social Bond Principles (June 2023) established by the International Capital Market Association. Our team for this engagement included analysts with experience in sustainability.

This Second Party Opinion reflects our review of the uses and allocation of proceeds, oversight, and conformance of the Offered Bonds with the Social Bond Principles. In our opinion, the Offered Bonds are impactful, conform with the four core components of the Social Bond Principles, and qualify for Social Bonds designation.

## ABOUT THE ISSUER

Colorado Housing and Finance Authority (the "Authority" or "CHFA"), a body corporate and political subdivision of the State of Colorado, was created in 1973 and serves the primary purpose of investing in affordable homeownership, developing and preserving affordable rental housing, and supporting access to capital for small- and medium-sized businesses in Colorado. The Authority is self-funded, and generated revenue is reinvested into affordable housing and community development in Colorado.

To advance its mission, the Authority has multiple programs which target very low-, low- and moderate-income families and other vulnerable populations for both single-family and multi-family housing. In addition to its single-family investments, the Authority, as of December 2024, has approximately 79,500 affordable apartment units in its multi-family housing portfolio.[1] Within this portfolio, the median annual resident income is approximately $21,700 and approximately 19,200 units serve senior citizens.[2] The Colorado Multifamily Affordable Housing Electrification Hub provides multi-family housing developers technical and practical guidance for designing fully electrified buildings. In addition to housing, the Authority's business lending program offers loans to growing businesses to support job creation. Of these loans, approximately 36% were made to woman-owned businesses and 45% were made to minority-owned businesses in 2024.[3]

In 2024, the Authority made investments that had positive social impacts in Colorado communities, including:[4]

- Over $1.7 billion provided in first lien mortgage loans to 4,847 homeowners;
- 6,674 households received homebuyer education classes;
- 34,859 loans in CHFA's single-family first lien mortgage servicing portfolio;
- 6,087 new affordable rental housing units (including multi-family housing, rural housing, homeless housing, and units for seniors and veterans) supported by federal Low Income Housing Tax Credits and State of Colorado Affordable Housing Tax Credits;
- Over 550 businesses served through over $145 million in business lending; and
- 415 organizations supported through community partnerships and donations.

In addition to connecting borrowers with financing and fostering economic development, the Authority supports increased housing supply through programs such as the BuilderCommitment and BuilderCommitment Plus pilot programs that allow builders to reserve loans at competitive interest rates for future borrowers. In 2024, the Authority also launched an online video library containing training webinars and newsletters for participating lenders.

[1] Affordable to 80% area median income or below.
[2] Based on information provided by CHFA.
[3] "CHFA Impact Report," Colorado Housing and Finance Authority, December 2024, https://static1.squarespace.com/static/604db2d3000a5a49386337e8/t/675a1208fd0197081c939ca8/1733956106828/BoardImpactReport-Dec2024.pdf.
[4] "CHFA Impact Report," Colorado Housing and Finance Authority, December 2024; and information provided by CHFA.

## ALIGNMENT TO SOCIAL STANDARDS[5]

### Use of Proceeds

Proceeds of the Offered Bonds will finance home loans and downpayment assistance loans (collectively, the "2025IJK Mortgage Loans") and pay costs of issuance. The Offered Bonds align with three Social Project categories identified in the Social Bond Principles: *Affordable Housing*, *Access to Essential Services*, and *Socioeconomic Advancement and Empowerment*.

CHFA's Single Family Programs

The 2025IJK Mortgage Loans will include loans originated pursuant to the CHFA FirstStep℠ Program and may include originated loans pursuant to other single-family programs such as the FirstGeneration Program and the Affordable Mortgage Solutions Program (collectively, the "Qualified Single Family Programs"). The CHFA FirstStep℠ Program offers financing to low- and moderate-income households, including individuals who are first-time homebuyers, qualified veterans, or those who are purchasing a residence in a targeted area. Improving pathways to financing for eligible borrowers increases access to an essential service and promotes social equity. The CHFA FirstGeneration Program was launched in 2024 and serves first-generation homebuyers. The Affordable Mortgage Solutions Program involves acquisition of loans provided by Habitat for Humanity to qualified borrowers, some of whom contribute "sweat equity" to home construction in lieu of a downpayment. Without the Authority's programs, certain individuals may not be able to achieve homeownership.

Benefits for borrowers under the Qualified Single Family Programs include: fixed interest rate loans, allowances for borrowers without credit scores, the option to couple downpayment and closing cost assistance, and homebuyer education. The Authority contracts with organizations throughout Colorado to provide homebuyer education classes. It is expected that all recipients of the 2025IJK Mortgage Loans will participate in the Authority's homebuyer education classes. These classes provide critical education about interest rates, borrowers' rights, the role of a lender, and more, and can help prepare borrowers for the homebuying process and ongoing responsibilities of homeownership.

Many families and individuals are unable to purchase a home due to the major expense of downpayment and closing costs. To address this barrier, the Authority offers downpayment assistance ("DPA"). The Authority expects that most borrowers receiving 2025IJK Mortgage Loans will also receive downpayment and closing cost assistance, since most loans in the Authority's Qualified Single Family Program are coupled with DPA (Table 1). The financing may be used for closing costs, downpayments, or certain other qualified expenses. DPA associated with the 2025IJK Mortgage Loans and income distributions of the 2025IJK Mortgage Loans are expected to be similar to previously financed groups of loans (Table 1).

CHFA supports fair lending and is committed to helping Coloradans achieve and successfully sustain homeownership. CHFA requires all participating third-party lenders to comply with nondiscrimination and fair housing laws, as documented in the CHFA Seller's Guide.

[5] Social Bonds are any type of debt instrument where the proceeds will be exclusively applied to finance or refinance eligible Social Projects which are aligned with the four core components of ICMA Social Bond Principles.

**Table 1. Downpayment Assistance provided in conjunction with CHFA's previously issued bonds for single-family homeownership (1/1/2025 – 4/30/2025)**

| | |
|---|---|
| **Total DPA Provided ($)** | $9,289,023 |
| **Total DPA Provided (#)** | 543 |
| **Percent of Borrowers Receiving DPA** | 98.0% |
| **Average DPA Provided per Borrower** | $17,107 |
| **Average DPA Provided (% of Purchase Price)** | 4.9% |

**Target Population:** The Offered Bonds benefit low- and moderate-income individuals and families in Colorado who are pursuing homeownership. The maximum eligible income is (i) between 100% and 115% of the area median income ("AMI") for borrowers purchasing homes outside of Targeted Areas (as defined below) and (ii) 140% or less of the AMI for borrowers purchasing homes in Targeted Areas. The distribution of income bands for borrowers of the 2025IJK Mortgage Loans is expected to be similar to previously financed groups of loans in the Qualified Single Family Program (Table 2). The 2025IJK Mortgage Loans are also expected to benefit minority populations who are historically underrepresented as homeowners, borrowers with disabilities, borrowers who care for individuals with disabilities, as well as households in lower income areas and areas of chronic economic distress.

**Table 2. Income bands of loans in the Authority's Qualified Single Family Program (1/1/2023 – 4/30/2025)[6]**

| | 2023 | | 2024 | | 2025 | |
|---|---|---|---|---|---|---|
| **AMI Band** | **$ of Loans ($MM)** | **% of Proceeds** | **$ of Loans ($MM)** | **% of Proceeds** | **$ of Loans ($MM)** | **% of Proceeds** |
| <50% | $1.82 | 0.33% | $2.60 | 0.48% | $0.7 | 0.36% |
| 50% - 59% | $4.91 | 0.88% | $4.73 | 0.87% | $2.1 | 1.09% |
| 60% - 69% | $15.67 | 2.81% | $12.41 | 2.29% | $3.8 | 1.97% |
| 70% - 79% | $27.13 | 4.87% | $18.05 | 3.33% | $8.4 | 4.35% |
| 80% - 89% | $41.89 | 7.52% | $45.00 | 8.30% | $13.0 | 6.73% |
| 90% - 99% | $59.46 | 10.68% | $44.87 | 8.28% | $16.2 | 8.38% |
| 100%+ | $405.92 | 72.90% | $414.47 | 76.45% | $149.0 | 77.08% |
| Total | **$556.80** | **100.00%** | **$542.11** | **100.00%** | **$193.3** | **100.0%** |

[6] The percent of proceeds may not add up to 100% due to rounding.

**Targeted Area:** It is expected that at least one-third of the 2025IJK Mortgage Loans will be made to households in Targeted Areas. A Targeted Area is defined as (i) a census tract in which 70% of families have incomes which are less than 80% of the statewide median family income or (ii) an area of chronic economic distress. Designation as a Targeted Area may change over time and is based on several factors including housing demand, demand for financing, area income levels, and/or unemployment rates. An entire county or a smaller area within a county may be designated as a Targeted Area. Currently, there are over one hundred Targeted Areas designated in Colorado.

Homeownership in Colorado and Racial Equity Through Housing

Homeownership is a vehicle for building wealth, financial stability, and economic opportunity that can transcend generations. Instead of paying rent to a third party, homeowners build equity. Owning a home results in more predictable housing costs over time and can increase financial stability. Ownership can also reduce disruptions associated with rent instability and changes to a rental property outside of a family's control. Housing wealth (equity) is also a key component of retirement resources for many families because lower housing costs after the mortgage is paid off make it possible to subsist on the lower income associated with retirement.

Access to safe and affordable housing is especially critical in Colorado because while homeownership rates are similar to the national average, homeownership gaps remain for communities of color. Across all of Colorado, approximately 66% of homes are owned. Homeownership rates are approximately 39% for Black households and 55% for Latino households.[7]

CHFA's Qualified Single Family Programs help reduce these disparities in homeownership by providing fair mortgage lending opportunities to all qualifying borrowers in the state. The Authority has key performance indicators for outreach and loans to minority households and tracks internal metrics to help evaluate effectiveness of programs and processes. The Authority has committed resources toward increasing the visibility of CHFA's programs and services in historically underserved communities such as rural areas of the state. The aim is to ensure housing opportunities are accessible to all and increase homeownership rates in these communities. CHFA's single-family programs and related services actively support housing opportunities for communities of color in Colorado by helping the most marginalized households overcome systemic barriers to homeownership.

[7] Data from US Census Bureau, American Community Survey, 2023. Accessed through "America's Health Rankings," United Health Foundation, accessed May 19, 2025, https://www.americashealthrankings.org/explore/measures/homeownership/CO.

### Process for Project Evaluation and Selection

The Authority's mission, in part, is to increase access to affordable homeownership. To achieve its mission, the Authority will provide mortgages and downpayment assistance through the Offered Bonds to households that otherwise may not have access to affordable homeownership. All 2025IJK Mortgage Loans are part of CHFA's Qualified Single Family Programs. To be eligible for a loan through the Qualified Single Family Programs, borrowers must meet strict criteria. Requirements include:

- Borrower must be either (1) a first-time homebuyer (i.e., a borrower who has had no present ownership interest in the borrower's principal residence at any time during the three-year period ending on the date the mortgage is executed); (2) a qualified veteran (as defined in Section 143 of the Internal Revenue Code); or (3) purchasing a "targeted area residence" (i.e., a residence in an area which is either a qualified census tract or an area of chronic economic distress)
- Borrower's income must meet income limits (low- or moderate-income)
- Purchased home must not exceed purchase price limits
- Purchased home must be the borrower's primary residence

Multiple entities are involved in the review processes to confirm that recipients of the 2025IJK Mortgage Loans meet the required criteria. Initially, individuals apply and work with CHFA-approved Mortgage Lenders across the state. A Mortgage Lender uses parameters established by the Authority to confirm the borrower's eligibility for the Qualified Single Family Program. Next, the Authority reviews the documented eligibility prior to acquiring the mortgage. The Authority reviews every Qualified Single Family Program mortgage it purchases. Through these steps, multiple eligibility criteria are confirmed, including employment verification, income levels, and other factors. Finally, a third-party compliance audit is performed on a percentage of the mortgage loans the Authority acquires, including those originated under Qualified Single Family Programs.

### Management of Proceeds

Proceeds from the Offered Bonds will be used exclusively to acquire the 2025IJK Mortgage Loans, including through the purchase of mortgage-backed securities ("MBS"), and pay the costs of issuing the Offered Bonds. The proceeds of the Offered Bonds will be deposited in a separately managed subaccount (the "2025 Series IJK Subaccount of the Acquisition Account") and used to acquire MBS backed by certain first lien 2025IJK Mortgage Loans and certain second lien downpayment assistance loans.

Proceeds may be temporarily invested in accordance with the Authority's Investment Policy and the Master Indenture of Trust dated October 1, 2001, as amended, between the Authority and Zions Bancorporation, National Association, as Trustee (the "Master Indenture") prior to delivery of the MBS. Allowable temporary investments include, but are not limited to, US Treasury obligations, agency securities, general obligation or revenue bonds from US municipalities, money market funds, highly rated commercial paper, and the Colorado Local Government Liquid Asset Trust. Permitted investments of bond proceeds by the Authority are fully defined by the Master Indenture and investment of the proceeds of the Offered Bonds in such investments would not lead to ineligibility of the Offered Bonds as Social Bonds. The Authority's Finance Department is responsible for tracking and managing disbursements of the proceeds of the Offered Bonds.

### Reporting

Once proceeds of the Offered Bonds have been spent from the 2025 Series IJK Subaccount of the Acquisition Account, the Authority intends to prepare one voluntary impact report and post it to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") system. The report is expected to indicate that proceeds in the 2025 Series IJK Subaccount of the Acquisition Account have been spent and provide impact data related to the 2025IJK Mortgage Loans. The voluntary report is expected to be in the form of Appendix L of the Official Statement. As long as the Offered Bonds remain outstanding, the Authority will submit annual continuing financial disclosures and notices of certain listed events, as described in the Official Statement, to MSRB's EMMA system. Annual disclosures that include housing type and delinquency statistics are made available on EMMA and on the Authority's investor website: chfainfo.com/investors.

## ALIGNMENT WITH UN SDGs

The Offered Bonds support and advance the vision of the United Nations Sustainable Development Goals ("UN SDGs"), including:

**No Poverty (Target 1.4)**

Increased access to affordable mortgage financing which supports interruption of the poverty cycle

**Decent Work and Economic Growth (Target 8.10)**

Increased access to financial services that enable low- and moderate-income populations to own property

**Reduced Inequalities (Target 10.2)**

Access to downpayment assistance and homebuyer education programs that lower barriers to homeownership

**Sustainable Cities and Communities (Target 11.1)**

Improved access to affordable housing opportunities

Full text of the Targets for these Goals is on the United Nations website: un.org/sustainabledevelopment

## CONCLUSION

Based on our independent external review, the Offered Bonds are impactful, conform, in all material respects, with the Social Bond Principles (2023) and are in complete alignment with three eligible project categories: *Access to Essential Services*, *Affordable Housing*, and *Socioeconomic Advancement and Empowerment*.

## KESTREL SUSTAINABILITY SCORES™

| Project Information | |
|---|---|
| Subsector | Single-Family Housing |
| Project Status | N/A |

| Sustainability Benchmarks | |
|---|---|
| Composite Score | 4.25 |
| Rank* | Top 12% |

***Compared to all bonds scored in the Single-Family Housing subsector (n=684). To learn more about benchmarking with Sustainability Analysis and Scores, including additional data fields not shown here, visit kestrelesg.com.**

| Sustainability Scores (out of 5) | | Weight in Composite Score Calculation |
|---|---|---|
| Environmental | 2.00 | 25% |
| Social | 5.00 | 55% |
| Transparency (Governance) | 5.00 | 20% |

| Score Rationale | | |
|---|---|---|
| Environmental | Conventional Buildings – Business as Usual | 20% |
| Social | Equitable Access to Essential Services | 40% |
| | Affordable Housing | 20% |
| Transparency (Governance) | Disclose Activities, Impacts & Risks | 20% |

*This bond was evaluated on 5/19/2025 and reference data for benchmarking was accessed on 4/22/2025. Kestrel Sustainability Scores of bonds for which Kestrel has provided a Second Party Opinion are fixed for a minimum period of one year from the date of our Opinion. During this period, scores will not be changed.*

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**About**

Kestrel Sustainability Intelligence™ for municipal markets helps set the market standard for sustainable finance. We do this through verification and our comprehensive Sustainability Analysis and Scores.

Kestrel is a leading provider of external reviews for green, social and sustainability bond transactions. We evaluate transactions in public and private markets for conformance with international green and social bond standards.

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**Disclaimer**

This Opinion aims to explain how and why the discussed financing meets the ICMA Social Bond Principles based on the information that was provided by the Authority or made publicly available by the Authority and relied upon by Kestrel only during the time of this engagement (May 12, 2025 – May 30, 2025), and only for purposes of providing this Opinion.

We have relied on information obtained from sources believed to be reliable, and assumed the information to be accurate and complete. However, Kestrel can make no warranty, express or implied, nor can we guarantee the accuracy, comprehensive nature, merchantability, or fitness for a particular purpose of the information we were provided or obtained.

By providing this Opinion, Kestrel is neither addressing nor certifying the credit risk, liquidity risk, market value risk or price volatility of the projects financed by the Social Bonds. It was beyond Kestrel's scope of work to review for regulatory compliance, and no surveys or site visits were conducted by us. Furthermore, we are not responsible for surveillance, monitoring, or implementation of the project, or use of proceeds.

The Opinion delivered by Kestrel is for informational purposes only, is current as of the Evaluation Date, and does not address financial performance of the Social Bonds or the effectiveness of allocation of its proceeds. This Opinion does not make any assessment of the creditworthiness of the Authority, nor its ability to pay principal and interest when due. This Opinion does not address the suitability of a Bond as an investment, and contains no offer, solicitation, endorsement of the Bonds nor any recommendation to buy, sell or hold the Bonds. Kestrel accepts no liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits), for any consequences when third parties use this Opinion either to make investment decisions or to undertake any other business transactions.

This Opinion may not be altered without the written consent of Kestrel. Kestrel reserves the right to revoke or withdraw this Opinion at any time. Kestrel certifies that there is no affiliation, involvement, financial or non-financial interest in the Authority or the projects discussed. We are 100% independent. Language in the offering disclosure supersedes any language included in this Second Party Opinion.

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COLORADO HOUSING AND FINANCE AUTHORITY • SINGLE FAMILY MORTGAGE BONDS, CLASS I BONDS, 2025 SERIES I (AMT) (SOCIAL BONDS), CLASS III BONDS, 2025 SERIES J (NON-AMT) (SOCIAL BONDS), CLASS I BONDS, 2025 SERIES K-1 (FEDERALLY TAXABLE) (SOCIAL BONDS) AND CLASS I ADJUSTABLE RATE BONDS, 2025 SERIES K-2 (FEDERALLY TAXABLE) (SOCIAL BONDS)

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