	Moody's	S&P
Ratings:	Aa1	AA+
	(See "Ratings" herein)	

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Virginia Housing Development Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code except that no opinion is expressed as to the exclusion from gross income of interest on any Offered Bond for any period during which the Offered Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Offered Bonds or a "related person", and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Offered Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. For more information concerning the tax treatment of the interest on the Offered Bonds, see "Tax Matters."

Under the Virginia Housing Development Authority Act, income on the Offered Bonds, including any profit made on the sale thereof, is not included in taxable income for purposes of income taxation by the Commonwealth of Virginia and by the municipalities and all other political subdivisions of the Commonwealth of Virginia.

$8,820,000
VIRGINIA HOUSING DEVELOPMENT AUTHORITY
Rental Housing Bonds
2026 Series C-Non-AMT

Maturity Date (June 1)	Principal Amount	Serial or Term	Interest Rate	CUSIP*	Maturity Date (June 1)	Principal Amount	Serial or Term	Interest Rate	CUSIP*
2029	$50,000	Serial	2.65%	92812WN26	2041	$80,000	Serial	4.00%	92812WP65
2030	55,000	Serial	2.75	92812WN34	2042	80,000	Serial	4.10	92812WP73
2031	4,785,000	Serial	2.90	92812WN42	2043	85,000	Serial	4.20	92812WP81
2032	55,000	Serial	3.00	92812WN59	2044	90,000	Serial	4.30	92812WP99
2033	60,000	Serial	3.10	92812WN67	2045	95,000	Serial	4.40	92812WQ23
2034	60,000	Serial	3.20	92812WN75	2046	100,000	Serial	4.50	92812WQ31
2035	60,000	Serial	3.30	92812WN83	2048	205,000	Term	4.55	92812WQ49
2036	65,000	Serial	3.45	92812WN91	2051	350,000	Term	4.60	92812WQ56
2037	65,000	Serial	3.60	92812WP24	2054	405,000	Term	4.65	92812WQ64
2038	70,000	Serial	3.75	92812WP32	2056	305,000	Term	4.70	92812WQ72
2039	75,000	Serial	3.80	92812WP40	2061	900,000	Term	4.75	92812WQ80
2040	75,000	Serial	3.85	92812WP57	2064	650,000	Term	4.80	92812WQ98

Price of all Offered Bonds: 100%
Dated Date: Date of Delivery

Principal on the Offered Bonds is payable at maturity or prior redemption. Interest on the Offered Bonds commences to accrue on the date of delivery thereof and is payable semi-annually on each June 1 and December 1, commencing December 1, 2026. The Offered Bonds are subject to redemption including, but not limited to, sinking fund payments, without premium, prior to maturity as described herein. The Offered Bonds are issued in $5,000 denominations and in integral multiples thereof. The Offered Bonds will be initially issued and may be purchased only in book-entry form through the facilities of the Depository Trust Company ("DTC"). U.S. Bank Trust Company, National Association, Minneapolis, Minnesota, is the Trustee.

The Offered Bonds are secured, equally and ratably with the Currently Outstanding Bonds and any Rental Housing Bonds hereafter issued (except as otherwise described herein), by Mortgage Loans, Investment Obligations, Revenues and other Assets of the Virginia Housing Development Authority (the "Authority") pledged thereto, and are general obligations of the Authority, subject to agreements heretofore or hereafter made with owners of Authority obligations other than Owners, all as more fully described herein.

The Authority has no taxing power. The Rental Housing Bonds do not constitute a debt or grant or loan of credit of the Commonwealth of Virginia, and the Commonwealth of Virginia shall not be liable thereon, nor shall the Rental Housing Bonds be payable out of any funds other than those of the Authority.

The Offered Bonds are offered when, as and if issued, subject to prior sale, or withdrawal or modification of the offer without notice. The Offered Bonds are offered subject to the receipt of the Approving and Tax Opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority, as more fully described in "Legal Matters" and "Tax Matters" herein. It is expected that the Offered Bonds will be available for delivery through DTC in New York, New York on or about June 17, 2026.

June 2, 2026

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* CUSIP is a registered trademark of the American Bankers Association. See also "CUSIP Numbers" in "Description of the Offered Bonds" in Part I.

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized. There shall not be any offer, solicitation or 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. Information set forth herein has been furnished by the Authority and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by the Underwriters. Unless specified otherwise, websites referred to herein and the information or links contained in such websites are not incorporated into, and are not part of, this Official Statement.

The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the dates as of which information is given herein. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT

PART I – THE OFFERED BONDS

INTRODUCTION

Certain adverse external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism, and the actions of governments, government sponsored enterprises, and businesses in response to such adverse external events, could potentially disrupt the Authority's ability to conduct its business and adversely affect the performance of the mortgage loans owned or serviced by the Authority. See "Business Disruption Risk" in "Part III – General Information About the Authority."

Capitalized terms used in this Official Statement, unless otherwise herein defined, shall have the meanings set forth in a resolution adopted by the Authority on March 24, 1999, as amended to the date of delivery of the Offered Bonds (the "Current Resolution") authorizing the issuance and sale of the Rental Housing Bonds. The Current Resolution, as hereafter modified, amended or supplemented from time to time, is referred to herein as the "Resolution." See "Definitions" in "Summary of Certain Provisions of the Current Resolution" for definitions of certain of such capitalized terms in the Current Resolution. Unless the context otherwise requires, the following terms are used in this Official Statement to refer to the Rental Housing Bonds listed below.

Term	**Referenced Bonds**
"Rental Housing Bonds"	Currently Outstanding Bonds, the Offered Bonds and any bonds hereafter issued under the Resolution
"Currently Outstanding Bonds"	Bonds previously issued under the Resolution and presently Outstanding as of the date of this Official Statement
"Offered Bonds"	Rental Housing Bonds, 2026 Series C-Non-AMT
"Taxable Bonds"	Bonds on which interest is included in gross income for federal income tax purposes
"Tax-Exempt AMT Bonds"	Tax-Exempt Bonds on which the interest is treated as a preference item in determining the tax liability of individuals and other taxpayers subject to the alternative minimum tax imposed by Section 55 of the Code (as herein defined)
"Tax-Exempt Bonds"	Bonds, including the Offered Bonds, on which interest is not included in gross income for federal income tax purposes pursuant to Section 103 of the Code
"Tax-Exempt Non-AMT Bonds"	Tax-Exempt Bonds, including the Offered Bonds, on which the interest is not treated as a preference item in determining the tax liability of individuals and other taxpayers subject to the alternative minimum tax imposed by Section 55 of the Code (but is included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax)
"Transitioned 1954 Code Tax-Exempt Non-AMT Bonds"	Tax-Exempt Bonds on which the interest is not treated as a preference item in determining the tax liability of individuals and other taxpayers subject to the alternative minimum tax imposed by Section 55 of the Code and under prior law was included in the adjusted current earnings of corporations for purposes of the alternative minimum tax (but is included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax)

This Official Statement is being distributed by the Authority to furnish pertinent information in connection with the initial offering of the Offered Bonds. The Offered Bonds are being offered hereby pursuant to the Virginia Housing Development Authority Act (the "Act"), the Current Resolution, the Bond Limitations Resolution adopted by the Authority on May 5, 2026 and the Written Determinations as to the terms of the Offered Bonds. In connection with the prior issuance of Rental Housing Bonds, the Authority has adopted Bond Limitations Resolutions and has executed Written Determinations. The Current Resolution, as so amended, modified and supplemented to the date of delivery of the Offered Bonds by such Bond Limitations Resolutions and Written Determinations, is referred to herein as the "Rental Housing Bonds Resolution."

The Authority adopted the Current Resolution to issue Rental Housing Bonds, including the Offered Bonds, for the principal purpose of funding its multi-family program (see "The Multi-Family Program"). The Offered Bonds are secured equally and ratably

with the Currently Outstanding Bonds and any additional Rental Housing Bonds hereafter issued under the Resolution. The Authority anticipates that additional parity Rental Housing Bonds will be issued in the future. The Current Resolution also permits the Authority to execute Exchange Agreements (such as swap agreements) and Enhancement Agreements (such as agreements related to bond insurance) under which the Authority's obligations are payable from Assets on a parity basis with the Rental Housing Bonds (see "Exchange Agreements and Enhancement Agreements" in "Security").

The Offered Bonds are Tax-Exempt Non-AMT Bonds. The Code imposes substantial requirements with respect to Tax-Exempt Bonds, and the Mortgage Loans financed, in whole or in part, with proceeds of such Tax-Exempt Bonds which must be satisfied for the interest on such Tax-Exempt Bonds to be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. The Authority has established procedures under which the Authority expects such Code requirements can be met (see "Federal Taxes" in "Tax Matters," and "Requirements Applicable to Developments Financed by Tax-Exempt AMT Bonds and Tax-Exempt Non-AMT Bonds" in "The Multi-Family Program").

U.S. Bank Trust Company, National Association, Minneapolis, Minnesota, is the Trustee. Except in the event of the occurrence and continuance of an Event of Default, the Authority may remove and replace the Trustee and may serve in the capacity of Trustee.

The summaries of and references herein to the Act, the Resolution, the Current Resolution, and the Rental Housing Bonds Resolution and other documents and materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the Resolution, the Current Resolution, and the Rental Housing Bonds Resolution and such other documents and materials for the complete provisions thereof.

DESCRIPTION OF THE OFFERED BONDS

All of the proceeds of the Offered Bonds are expected to be used to finance one or more Mortgage Loans for the following developments. The financing of each such development will utilize federal low-income housing tax credits:

Development	Location	Long-Term Mortgage Loan Amount	Short-Term Mortgage Loan Amount	Total Mortgage Loan Amount	Type of Occupancy	Total Units
1030 Alston Court - 4%	City of Waynesboro	$3,990,000	$680,000	$4,670,000	General	48
Monroe North	County of Wythe	100,000	4,050,000	4,150,000	General	32
		$4,090,000	$4,730,000	$8,820,000		

The amounts shown are the amounts of the Mortgage Loans expected to be financed with proceeds of the Offered Bonds. The Mortgage Loans may include additional amounts financed from sources other than proceeds of Tax-Exempt Bonds. Notwithstanding such expectation, the Authority reserves the right to apply the proceeds of the Offered Bonds in any manner consistent with the provisions of the Resolution and the Code.

The Offered Bonds shall be issued in the aggregate principal amount and shall mature in the amounts and on the dates set forth on the front cover hereof. The Offered Bonds are issued in $5,000 denominations and in integral multiples thereof. Interest on the Offered Bonds shall commence to accrue on their date of delivery and shall be payable semi-annually on the dates and at the interest rates set forth on the front cover hereof, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Principal and interest on the Offered Bonds shall be payable to the Owner thereof as described in "Application of Assets for Payment of Bond Amounts" in "Summary of Certain Provisions of the Current Resolution" below.

The Record Date for the payment of scheduled principal (including Sinking Fund Installments) and interest on the Offered Bonds shall be the 15th day of the month immediately preceding the month in which such scheduled principal or interest payment is to occur. The Record Date for the payment of principal and interest upon special or optional redemption shall be the date DTC receives notice of redemption from the Trustee.

The Offered Bonds will be initially issued and may be purchased only in book-entry form through the facilities of DTC. Accordingly, for the purposes of the Resolution, the Owner of the Offered Bonds shall be DTC's partnership nominee, Cede & Co., and all references herein to the Owners of the Offered Bonds shall refer to Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Offered Bonds (see Appendix G).

For every exchange or transfer of the Offered Bonds, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

Special Redemption

The Offered Bonds are subject to special redemption, at the option of the Authority, either in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof on any one or more dates from (i) prepayments, in whole or in part, of the outstanding principal balances on Mortgage Loans, (ii) original proceeds from the issuance and sale of Rental Housing Bonds that the Authority determines will not be used to make, purchase, finance or refinance Mortgage Loans or Authority Property or that will not be used to acquire and finance Investment Obligations on other than a temporary basis, (iii) the net proceeds from the sale or other disposition (including foreclosure) of Mortgage Loans or Authority Property, and (iv) proceeds received by the Authority from mortgage insurance, title insurance or hazard insurance with respect to Mortgage Loans or Authority Property. The amounts set forth in the previous sentence include amounts derived from the Offered Bonds, Currently Outstanding Bonds and any additional Rental Housing Bonds hereafter issued (as well as the Mortgage Loans and Authority Property now or hereafter financed under the Resolution), except as otherwise agreed by the Authority. Accrued interest, if any, to the date of redemption will be paid upon redemption.

See "Selection of Bonds for Redemption" below for a discussion of selection of amounts and maturities of Offered Bonds for redemption and allocation of redemptions within a maturity.

Certain Factors That May Affect Special Redemptions

The Authority has closed, or issued binding commitments for, one or more new Mortgage Loans in an aggregate principal amount equal to or greater than the amount of the proceeds of the Offered Bonds to be disbursed to finance such Mortgage Loans. In the event that such Mortgage Loan or Mortgage Loans shall fail to close or to be fully disbursed pursuant to the terms thereof, the Authority may, but is not required to, apply the unused proceeds of the Offered Bonds to fund another Mortgage Loan or Loans if such Mortgage Loan or Loans were previously identified by public notice and approved by the Governor of the Commonwealth (the "Governor") prior to the issuance of the Offered Bonds in accordance with the requirements of the Code. No assurance can be given that the Authority would be able to so apply any unused proceeds of the Offered Bonds.

Except for the short-term financing identified in the table above as "Short-Term Mortgage Loan Amount," if any, the Authority expects that all of the Mortgage Loans to be financed, in whole or in part, with the proceeds of the Offered Bonds will not permit prepayment without the consent of the Authority until dates which are on or after the June 1, 2035 Optional Redemption Date (see "Optional Redemption"). The Authority may, however, consent to the prepayment of such Mortgage Loan or Mortgage Loans prior to the June 1, 2035 Optional Redemption Date.

Mortgage Loans currently financed by Rental Housing Bonds usually have terms that prohibit prepayment without the Authority's consent for a specified period of time, which is generally (i) 10 years, in the case of Mortgage Loans not financed in whole or in part by Tax-Exempt Bonds or (ii) the time period (referred to as the "Qualified Project Period") during which restrictions under the Code apply, in the case of Mortgage Loans financed, in whole or in part, by Tax-Exempt Bonds. For some Mortgage Loans, the time period during which the Mortgage Loan may not be prepaid without the Authority's consent has expired, and such Mortgage Loans may be prepaid, in whole or in part. Certain Mortgage Loans (including principally the Mortgage Loans that were originated prior to 1986 to finance Developments assisted under the federal Section 8 Program (see Appendix F)), may not be prepaid prior to their maturity without the Authority's consent, which has been given on a case by case basis. The Authority can give no assurance that it will not consent to any full or partial prepayment of Mortgage Loans. Also, prior to the June 1, 2035 Optional Redemption Date, the Authority may offer to refinance Mortgage Loans with new mortgage loans financed by proceeds of Rental Housing Bonds or other bonds of the Authority hereafter issued or other funds, which may result in the special redemption of then Outstanding Rental Housing Bonds (possibly including Offered Bonds) prior to the June 1, 2035 Optional Redemption Date. The Authority can give no assurance that it will not do so. For more information on multi-family loan terms (including a discussion of the "Qualified Project Period"), see "The Multi-Family Program."

In the event of the foreclosure of any Development, a third party may acquire such Development at the foreclosure sale. Also, in the event that the Authority shall acquire any Development by foreclosure or deed in lieu of foreclosure, the Authority may thereafter transfer such Development to a third party. In order to facilitate such acquisition or transfer, the Authority may finance a new Mortgage Loan to such third party for all or part of the purchase price of such Development. If the Authority finances a new Mortgage Loan for such acquisition or transfer, the Authority may, in its discretion, either (i) not redeem any then Outstanding Rental Housing Bonds so that the source of financing for the Development shall continue to be such Outstanding Rental Housing Bonds or (ii) finance such new Mortgage Loan by issuing Rental Housing Bonds or other obligations. The financing of such new Mortgage Loan by the issuance of Rental Housing Bonds or other obligations will result in the receipt by the Authority of proceeds from the disposition of the original Mortgage Loan or Authority Property. In addition, if the Authority does not provide a new Mortgage Loan to finance the acquisition or transfer of such Development, such acquisition or transfer will also result in the receipt by the Authority of proceeds from the disposition of the original Mortgage Loan or Authority Property.

If any Mortgage Loan attributable to Tax-Exempt Bonds (including the Offered Bonds) is prepaid or if any proceeds are received by the Authority from the sale or other disposition of any such Mortgage Loan or any Authority Property attributable to Tax-Exempt Bonds (including the Offered Bonds), the proceeds of such prepayment or sale or other disposition, at the option of the Authority, may be used for the special redemption of Tax-Exempt Bonds (including the Offered Bonds) or, subject to satisfaction of the Revenue Test, transferred to the Authority (see "Withdrawal of Assets; Limited Operating Covenants"), or, to the extent permitted

by the Code, used to redeem by special redemption other Rental Housing Bonds or to finance new Mortgage Loans. The Authority does not expect to have the opportunity to use such prepayments and proceeds of sales or other dispositions to finance any such new Mortgage Loans.

If any Mortgage Loan attributable to Taxable Bonds or net assets of the Resolution is prepaid or if proceeds are received by the Authority from any sale or other disposition of such Mortgage Loans or any Authority Property attributable to Taxable Bonds or such net assets, the proceeds of any such prepayment or sale or other disposition, at the option of the Authority, may be used to finance new Mortgage Loans or other Assets, or to retire or redeem by special redemption Rental Housing Bonds (including Offered Bonds) or, subject to satisfaction of the Revenue Test, may be transferred to the Authority.

Factors which may affect the demand for Mortgage Loans and the amount of prepayments on Mortgage Loans and consequently the Authority's ability to use the proceeds of Rental Housing Bonds and any prepayments on the Mortgage Loans (as well as any proceeds of any sale or other disposition of a Mortgage Loan or Authority Property) for the financing of Mortgage Loans include not only general economic conditions but also the relationship between alternative mortgage loan interest rates (including rates on mortgage loans insured by agencies of the federal government, rates on conventional mortgage loans and the rates on other mortgage loans available from the Authority) and the interest rates being charged on the Mortgage Loans by the Authority. Accordingly, lower interest rates on such alternative mortgage loans could cause a lack of demand for Mortgage Loans, could result in prepayments when permitted by the terms of the applicable Mortgage Loans, and could necessitate the exercise by the Authority of its right to apply such portions of the proceeds of Rental Housing Bonds and prepayments on Mortgage Loans (as well as any proceeds of any disposition of a Mortgage Loan or Authority Property) to redeem Rental Housing Bonds, including Offered Bonds, to the extent permitted by the Code.

Optional Redemption

The Offered Bonds maturing on or after June 1, 2036 are subject to redemption, at the election of the Authority, either in whole or in part on any one or more dates on or after June 1, 2035 (the "June 1, 2035 Optional Redemption Date"), at a Redemption Price equal to the principal amount, without premium, of the Offered Bonds to be so redeemed. Accrued interest, if any, to the date of redemption will be paid upon redemption.

In addition to the optional redemption described above, the Offered Bonds maturing on June 1, 2031 are subject to redemption, at the election of the Authority, either in whole or in part on any one or more dates on or after June 1, 2027. When the Authority redeems such bonds it will do so at a Redemption Price equal to the principal amount, without premium, of the Offered Bonds to be redeemed, and accrued interest, if any, to the date of redemption will be paid upon redemption. The optional redemption provisions described in this paragraph are determined by the Authority to be appropriate because of certain payments the Authority expects to receive with respect to one or more of the Mortgage Loans to be financed by the proceeds of the Offered Bonds.

See "Selection of Bonds for Redemption" below for a discussion of selection of amounts and maturities of Offered Bonds for redemption and allocation of redemptions within a maturity.

Sinking Fund Redemption

The Offered Bonds designated as Term Bonds on the cover hereof are subject to redemption in part prior to maturity from mandatory Sinking Fund Installments which are required to be made in the amounts specified for each of the dates shown below. The Redemption Price shall be the principal amount of the Term Bonds to be redeemed. Accrued interest, if any, to the date of redemption will be paid upon redemption. In the event of a partial redemption of a maturity of Term Bonds (other than in satisfaction of Sinking Fund Installments) or the purchase and cancellation of less than all of a maturity of Term Bonds, the Authority shall instruct the Trustee as to which Sinking Fund Installments for such maturity of Term Bonds shall be affected by such redemption or purchase and cancellation. See "Selection of Bonds for Redemption" below for a discussion of allocation of redemptions within a maturity.

Offered Bonds Maturing
June 1, 2048

Sinking Fund Installment Date (June 1)	Principal Amount
2047	$100,000
2048*	105,000
	$205,000

Offered Bonds Maturing
June 1, 2051

Sinking Fund Installment Date (June 1)	Principal Amount
2049	$110,000
2050	115,000
2051*	125,000
	$350,000

* Maturity Date

Offered Bonds Maturing
June 1, 2054

Sinking Fund Installment Date (June 1)	Principal Amount
2052	$130,000
2053	135,000
2054*	140,000
	$405,000

Offered Bonds Maturing
June 1, 2056

Sinking Fund Installment Date (June 1)	Principal Amount
2055	$150,000
2056*	155,000
	$305,000

Offered Bonds Maturing
June 1, 2061

Sinking Fund Installment Date (June 1)	Principal Amount
2057	$165,000
2058	170,000
2059	180,000
2060	190,000
2061*	195,000
	$900,000

Offered Bonds Maturing
June 1, 2064

Sinking Fund Installment Date (June 1)	Principal Amount
2062	$205,000
2063	215,000
2064*	230,000
	$650,000

* Maturity Date

Selection of Bonds for Redemption

When redeeming Offered Bonds as described in the above sections entitled "Special Redemption" and "Optional Redemption," the Authority has complete discretion to select the amounts and maturities of Offered Bonds to be redeemed. In so selecting the amounts and maturities of Offered Bonds to be redeemed, the Authority expects to consider such factors as it deems relevant at that time to best achieve its financial and programmatic purposes. Such factors may include, but need not be limited to, interest rates and maturities of then Outstanding Rental Housing Bonds and any future legislation and regulations affecting the Rental Housing Bonds, including Tax-Exempt Bonds; however, no assurance can be given as to whether those factors or any other factors will be considered or as to how such factors will be applied in the selection of the Offered Bonds to be redeemed.

If less than all of a maturity of Offered Bonds is to be redeemed, the Offered Bonds to be redeemed shall be selected by lot in such manner as the Trustee may determine.

Notice to Owners

Notice of any redemption of an Offered Bond shall be sent to the Owner thereof at least 20 days, or such lesser number of days that is permitted by DTC, prior to the date of redemption. Any notice to Owners required pursuant to the Current Resolution shall be sent or transmitted, at the Authority's direction, by mail or other means of physical delivery, or by facsimile or other electronic means to such Owner at his last address, physical or electronic, set forth in the Registration Books.

Purchase

In lieu of the redemption of any Rental Housing Bond, the Authority may direct the Trustee in an Officer's Certificate to purchase such Bond from any Owner willing to sell such Bond. In addition, the Authority may at any time direct the Trustee in an Officer's Certificate to purchase, with Assets or other net assets of the Authority, any Rental Housing Bond from any Owner willing to sell such Bond. In either case, the purchase price shall be determined by, or in accordance with the directions of, the Authority.

CUSIP Numbers

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), 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 CGS 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. Neither the Authority nor the Underwriters are responsible for the selection or uses of these CUSIP

numbers, and no representation is made as to their correctness on the applicable Offered Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Offered Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Offered Bonds.

SECURITY

Pledge of Assets

Payment of the principal of and interest on the Rental Housing Bonds, as well as payment of other Bond Amounts, are secured, to the extent and as provided in the Rental Housing Bonds Resolution, by a pledge of the Assets. In addition to interest and principal, Compounded Amount, Redemption Price and Purchase Price due on any Rental Housing Bonds, "Bond Amount" includes any payment required to be made by the Authority pursuant to an Exchange Agreement (including a payment upon termination thereof) or an Enhancement Agreement, in each case to the extent such payment is payable from Assets. (See "Exchange Agreements and Enhancement Agreements.") "Assets" consist of Mortgage Loans, Authority Property (including the office building and property where the Authority has its principal offices, located at 601 South Belvidere Street, Richmond, Virginia), Revenues and Investment Obligations, and, to the extent made subject to the pledge or lien of the Resolution, Enhancement Agreements and Exchange Agreements (see "Summary of Certain Provisions of the Current Resolution"). The Rental Housing Bonds Resolution imposes no requirements on the Authority as to a minimum amount or type of Assets.

The Rental Housing Bonds Resolution permits the Authority to (i) purchase, sell, exchange, transfer and modify Assets, (ii) apply Assets to the payment of Expenses, and (iii) withdraw Assets from the Rental Housing Bonds Resolution, thereby releasing such Assets from the lien and pledge created by the Rental Housing Bonds Resolution, subject only to the satisfaction of the Revenue Test (see "Withdrawal of Assets; Limited Operating Covenants"). The Authority may contribute multi-family mortgage loans to the Resolution that become Mortgage Loans (and also Assets) following such contribution.

The Act provides that any pledge made by the Authority is valid and binding from the time such pledge is made and that the Authority's interest, then existing or thereafter obtained, in revenues, moneys, mortgage loans, receivables, contract rights or other property or proceeds so pledged shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. The Act further provides that no instrument by which a pledge is created need be recorded nor shall any filing be required with respect thereto. The Authority does not expect to record or file any deed of trust, mortgage or other instrument creating or evidencing the pledge or lien created by the Resolution or any future supplemental resolution with respect to any Asset or other Asset hereafter pledged to secure Rental Housing Bonds. The Authority does not expect to physically deliver Assets to the Trustee.

The Rental Housing Bonds Resolution does not require the establishment and funding of any debt service reserve fund or any other reserve fund, and the Authority does not expect to establish and fund any such reserve fund.

Mortgage Loans

Mortgage Loans are required by the Resolution to be secured by liens on the Developments and are Assets that are subject to the lien and pledge of the Resolution. See "The Multi-Family Program" and see Appendix E for certain information concerning the Mortgage Loans.

Investment Obligations

The Authority maintains a substantial portion of Assets as Investment Obligations. Investment Obligations that are eligible under the Resolution are set forth in the definition thereof in "Definitions" in "Summary of Certain Provisions of the Current Resolution" and include (i) any investment (debt or other contractual obligation or equity interest) which, in the determination of an Authorized Officer, is a suitable investment, in light of the amount and timing of Bond Obligation payments, the amount of Assets, and the availability of monies to pay Bond Obligations as they become due, at the time of acquisition thereof, and (ii) certain investments which bear, or the obligor(s) or guarantor(s) of which bear, an investment grade rating assigned by a nationally recognized rating agency.

The Authority, from time to time, may use Assets of the Rental Housing Bonds Resolution to purchase bonds issued under the Commonwealth Mortgage Bonds Resolution or the Homeownership Mortgage Bonds Resolution or to make moneys available to the Commonwealth Mortgage Bonds Resolution or the Homeownership Mortgage Bonds Resolution through other financial arrangements. When the Authority purchases such bonds or enters into such other financial arrangements, such bonds or financial arrangements become Assets of the Rental Housing Bonds Resolution. The Authority can give no assurances as to the amount of such bond purchases or financial arrangements and whether or not the Authority will be able to remarket such bonds or transfer such financial arrangements to third parties.

See "Investments" and "The Common Fund" in "Part III - General Information About the Authority" for additional information concerning Investment Obligations.

Exchange Agreements and Enhancement Agreements

The Rental Housing Bonds Resolution permits the Authority to execute Exchange Agreements (such as swap agreements) and Enhancement Agreements (such as agreements related to bond insurance) under which the Authority obligations are payable from Assets on a parity basis with the Rental Housing Bonds (see "Incurrence of Additional Obligations Payable from Assets" in "Summary of Certain Provisions of the Current Resolution"). Any Enhancement Agreements or any Exchange Agreements, including those made subject to the pledge or lien of the Resolution, are subject to the risk that the other parties to such Agreements may not satisfy their obligations set forth in such Agreements. The Rental Housing Bonds Resolution does not establish minimum rating requirements for such other parties. There are no outstanding Enhancement Agreements or Exchange Agreements under which the Authority's obligations are payable from Assets.

Sources of Payment

The scheduled payments of Bond Amounts, including the principal of and the interest on the Offered Bonds and any Enhancement Agreements or any Exchange Agreements that are payable from Assets, have been or are expected to be based upon the assumed receipt by the Authority of principal and interest or other payments on or with respect to Mortgage Loans and Investment Obligations, any Revenue with respect to Authority Property (excluding such income to be applied to the payment of operating expenses or to be deposited into reserve or escrow funds for such Authority Property), payments with respect to any Enhancement Agreement or any Exchange Agreement pledged as Assets, and net assets of the Authority, including net assets pledged under the Resolution. In so scheduling such payments of Bond Amounts, the Authority has assumed or expects to assume that no prepayments of principal will be received with respect to the Mortgage Loans; accordingly, scheduled payments of Bond Amounts are not expected to be dependent upon the receipt of prepayments of principal with respect to the Mortgage Loans.

The ability of the Authority to pay Bond Amounts, including principal and interest on the Offered Bonds, may be adversely affected by many factors that could impact the sources of payment for the Bond Amounts, including, but not limited to, the following: (i) failure to receive principal and interest or other payments when due or any time thereafter with respect to Mortgage Loans, Investment Obligations and any Enhancement Agreements and any Exchange Agreements pledged as Assets, (ii) receipt of income with respect to Authority Property (net of amounts to be applied to the payment of operating expenses or to be deposited into reserve or escrow funds for such Authority Property) in amounts less than expected by the Authority, (iii) Mortgage Loans, Authority Property and Investment Obligations and other Authority assets not being made, financed or acquired at the times, interest rates or prices, as applicable, contemplated by the Authority or not being made, financed or acquired at all and (iv) receipt of net proceeds from the sale or other disposition of Assets in amounts less than expected by the Authority. The ability of certain Mortgagors to make principal and interest payments on their Mortgage Loans may be adversely affected by reductions (or the failure to receive adequate increases) in any federal subsidy payments with respect to their Developments financed pursuant to the Resolution and assisted by such subsidy payments (see "Adjustments of Contract Rents" and "Renewal Contracts" in "Section 8 Programs" in Appendix F), as well as by general economic and housing conditions or other factors impacting their Developments.

On the basis of the foregoing facts and assumptions, the Revenues and other income to be received with respect to the Offered Bonds and the Currently Outstanding Bonds are expected by the Authority to be in excess of the scheduled debt service thereon. In reaching such expectation, the Authority has not considered the issuance of additional Rental Housing Bonds or the application or investment of the proceeds thereof. The Authority believes its assumptions regarding the Offered Bonds and the Currently Outstanding Bonds to be reasonable, but the Authority can give no assurance that the actual receipt of Revenues will correspond with its estimates of available money to pay debt service on the Offered Bonds and the Currently Outstanding Bonds.

Amendments to Resolution; Rental Housing Bonds Acquired by the Authority

The Current Resolution authorizes amendments to certain provisions therein by supplemental resolution of the Authority without the consent of Owners. Pursuant to such authorization, the Authority may, subject to the Revenue Test, amend the Current Resolution in any respect, except as described in subsection (7) in "Amendments" in "Summary of Certain Provisions of the Current Resolution." The Current Resolution, including the Revenue Test, also may be amended with the consent of the Owners of more than 50% of the Bond Obligation. Any of the foregoing amendments may adversely affect the security for the Rental Housing Bonds (see "Amendments" in "Summary of Certain Provisions of the Current Resolution").

Pursuant to the Act and the Current Resolution, the Authority may purchase or otherwise acquire the actual or constructive ownership of Rental Housing Bonds prior to the maturity or redemption thereof with the intent and effect that such Rental Housing Bonds remain Outstanding, subject to any terms and conditions determined by the Authority or otherwise required by law. Any Rental Housing Bonds so owned by the Authority shall be entitled to vote or give consents under the Resolution, except with respect to amendments to the Resolution and with respect to remedies and appointment and removal of the Trustee upon an Event of Default. Any such vote or consent may adversely affect the security for the Rental Housing Bonds.

General Obligations of the Authority

The Rental Housing Bonds are also general obligations of the Authority payable out of any of its revenues, moneys or assets, subject to agreements heretofore or hereafter made with owners of Authority obligations other than the Owners pledging particular revenues, moneys or assets for the payment thereof. The Authority has a long-term general obligation rating of "Aa1" from Moody's

Ratings ("Moody's") and a long-term Issuer Credit rating of "AA+" from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("Standard & Poor's" or "S&P"). See "Ratings." The security provided to the Rental Housing Bonds by the Authority's general obligation should be evaluated in connection with the performance of other loan programs of the Authority and such pledging of particular revenues, moneys or assets. See "The Single Family Program" and "Miscellaneous Programs." See also "Summary of Revenues, Expenses, and Net Position" and "General Fund and Other Net Assets," both in "Part III - General Information About the Authority."

The general obligation of the Authority provides additional security for payment of the Rental Housing Bonds by imposing legal liability on the Authority to make payments, when due, on the Rental Housing Bonds. The ability of the Authority to make such payments from sources other than the Assets will depend upon the financial strength of the Authority, in particular the ability of the Authority to make such payments from its net assets in the other bond resolutions described below under "Other Bond Resolutions" and from net assets in its General Fund. The net assets in such other bond resolutions are pledged as security under those bond resolutions and are subject to restrictions and limitations described below on the withdrawals of such net assets from the lien and pledge of such resolutions. The net assets in the Authority's General Fund are not currently pledged as security for any bondholders and are not currently subject to any restrictions or limitations, but no assurance can be given that the Authority will not in the future subject such net assets to limitations or restrictions for the benefit of obligors of the Authority or any other persons other than Owners of Rental Housing Bonds. The future amount and value of the net assets in the other bond resolutions and the net assets in the Authority's General Fund will depend upon the ongoing success of the Authority's multi-family and single family mortgage loan programs and operations, including the use and investment of such net assets. For additional information concerning the financial status of the Authority as of the end of the most recent fiscal year and, if available, the most recent quarter, and such net assets, also known as net position, see Appendix A.

The Authority has no taxing power. The Rental Housing Bonds do not constitute a debt or grant or loan of credit of the Commonwealth, and the Commonwealth shall not be liable thereon, nor shall the Rental Housing Bonds be payable out of any funds other than those of the Authority. The Authority has not created a capital reserve fund to secure the Rental Housing Bonds and therefore the Rental Housing Bonds are not subject to the provision in the Act that both requires the Governor to include in the Governor's budget funds to cover any deficiency in the capital reserve funds of the Authority and authorizes the General Assembly to appropriate funds therefor.

Other Bond Resolutions

The Authority issues bonds ("Commonwealth Mortgage Bonds") under the general bond resolution adopted by the Authority on July 15, 1986, as amended and supplemented to the date hereof (the "Commonwealth Mortgage Bonds Resolution"). The Authority purchases and makes new single family mortgage loans with net assets of the Commonwealth Mortgage Bonds Resolution and proceeds of Commonwealth Mortgage Bonds. The Commonwealth Mortgage Bonds Resolution authorizes the Authority to apply assets thereunder to make, purchase, finance or refinance single family mortgage loans. Upon the financing of single family mortgage loans with assets of the Commonwealth Mortgage Bonds Resolution, such mortgage loans or property are pledged by the Authority as security under the Commonwealth Mortgage Bonds Resolution. The Commonwealth Mortgage Bonds are general obligations of the Authority. See Appendix A for information on the assets and liabilities of the Commonwealth Mortgage Bonds Resolution. The Commonwealth Mortgage Bonds Resolution permits the Authority to withdraw assets from the lien and pledge of such resolution subject only to the satisfaction of a revenue test similar to the Revenue Test. Since the date of the most recent financial statements (audited or unaudited) in Appendix A, the Authority has withdrawn $24,855,448 from the Commonwealth Mortgage Bonds Resolution. The Authority can give no assurances that it will or will not make any future withdrawals of assets from the lien and pledge of the Commonwealth Mortgage Bonds Resolution or that in the future the Commonwealth Mortgage Bonds Resolution will have any excess funds available for payment of principal or interest on the Rental Housing Bonds.

The Authority also has financed single family mortgage loans under another resolution (the "Homeownership Mortgage Bonds Resolution") authorizing the issuance of the Authority's Homeownership Mortgage Bonds in connection with the New Issue Bond Program of the U.S. Department of the Treasury. The Authority has no present intention to issue more Homeownership Mortgage Bonds and the Authority is not pledging any new single family mortgage loans to the Homeownership Mortgage Bonds Resolution. Notwithstanding the foregoing, the Authority can give no assurances whether or not it will issue more bonds under the Homeownership Mortgage Bonds Resolution in the future. The Homeownership Mortgage Bonds Resolution pledges the mortgage loans and assets attributable to the Homeownership Mortgage Bonds as security for the payment of such Bonds. The Homeownership Mortgage Bonds are general obligations of the Authority. See Appendix A for information on the assets and liabilities of the Homeownership Mortgage Bonds Resolution. The Homeownership Mortgage Bonds Resolution permits the Authority to withdraw assets from the lien and pledge of such resolution subject only to the satisfaction of a revenue test similar to the Revenue Test. Since the date of the most recent financial statements (audited or unaudited) in Appendix A, the Authority has withdrawn $0 from the Homeownership Mortgage Bonds Resolution. The Authority can give no assurances that it will or will not make any future withdrawals of assets from the lien and pledge of the Homeownership Mortgage Bonds Resolution or that in the future the Homeownership Mortgage Bonds Resolution will have any excess funds available for payment of principal or interest on the Rental Housing Bonds.

The only outstanding Homeownership Mortgage Bonds are the 2013 Series A-Taxable (Pass-Through) which have principal payment obligations equal to a specified percentage of the sum of scheduled principal payments on the mortgage loans allocated to

such series, prepayments received on such allocated mortgage loans and certain other payments relating to such allocated mortgage loans, and have a stated maturity date corresponding to the date of the last scheduled payment on any such allocated mortgage loan, and therefore do not have principal payment obligations that were established assuming a certain level of prepayments on such allocated mortgage loans.

All of the currently outstanding Commonwealth Mortgage Bonds are either (a) bonds with principal amounts, maturities, and Sinking Fund Installments established by the Authority assuming a prepayment rate of 20% calculated using the standard prepayment model of the Securities Industry and Financial Markets Association (the "SIFMA Standard Prepayment Model") or (b) "RMBS" or "pass-through" bonds, which have principal payment obligations equal to the sum of (or a specified percentage of the sum of) scheduled principal payments on the mortgage loans allocated to such series, prepayments received on such allocated mortgage loans and certain other payments relating to such allocated mortgage loans, and have a stated maturity date corresponding to the date of the last scheduled payment on any such allocated mortgage loan, and therefore do not have principal payment obligations that were established assuming a certain level of prepayments on such allocated mortgage loans. With regard to Commonwealth Mortgage Bonds that are not RMBS or pass-through bonds, there can be no assurance that the prepayment experience of the Authority will substantially parallel those of the assumed SIFMA Standard Prepayment Model. The Authority believes that the principal and interest or other payments on or with respect to the respective assets pledged to the Homeownership Mortgage Bonds and the Commonwealth Mortgage Bonds will be sufficient to pay, when due, the scheduled debt service on such respective bonds, but the Authority can give no assurance that the actual receipt of payments will correspond to the Authority's assumptions.

The ability of the Authority to pay such principal and interest on the Commonwealth Mortgage Bonds and the Homeownership Mortgage Bonds may be adversely affected by (i) failure to receive principal and interest or other payments or income when due or any time thereafter with respect to the respective mortgage loans, investment obligations and any other asset pledged thereto, (ii) terminations (including foreclosures, deeds in lieu of foreclosure, and assignments to mortgage insurance companies) and prepayments of single family mortgage loans at times and at rates not anticipated by the Authority, (iii) mortgage loans, investment obligations and other assets not being made, financed or acquired at the times, interest rates or prices, as applicable, contemplated by the Authority or not being made, financed or acquired at all, and (iv) receipt of net proceeds from the sale or other disposition of respective assets pledged thereto in amounts less than expected by the Authority. The Authority does not necessarily receive cash upon the occurrence of terminations described in (ii) above, and the receipt of cash for such terminations may occur at a later time and may be for an amount less than the amount which was due under the single family mortgage loan.

Any excess funds under the Commonwealth Mortgage Bonds Resolution or the Homeownership Mortgage Bonds Resolution may be used to redeem (if then permitted by the terms of such resolution) Commonwealth Mortgage Bonds or Homeownership Mortgage Bonds, respectively, to finance mortgage loans or to acquire investments to be held under such resolution.

The Act permits the Authority to issue bonds and incur indebtedness in addition to the Commonwealth Mortgage Bonds, the Rental Housing Bonds and the Homeownership Mortgage Bonds.

WITHDRAWAL OF ASSETS; LIMITED OPERATING COVENANTS

Except for the Revenue Test, the Rental Housing Bonds Resolution imposes no restrictions on the Authority's ability to transfer Assets to the Authority (thereby releasing such Assets from the lien and pledge of the Resolution), nor does it impose on the Authority any requirements as to the minimum amount or type of Assets or any requirements with respect to annual income or net worth. The Rental Housing Bonds Resolution requires that certain actions, including transfer of all or any portion of any Asset to the Authority (thereby releasing such Asset or portion from the lien and pledge of the Resolution), be undertaken only upon satisfaction of the Revenue Test. See the definition of Revenue Test in "Summary of Certain Provisions of the Current Resolution." Since the date of the most recent financial statements (audited or unaudited) in Appendix A, the Authority has withdrawn $20,000,000 from the Resolution. The Authority can give no assurances that it will or will not make any future withdrawals.

SUMMARY OF CERTAIN PROVISIONS OF THE CURRENT RESOLUTION

The following statements are brief summaries of certain provisions of the Current Resolution. Such statements are qualified in each case by reference to the Current Resolution.

Capitalized items not previously defined in this Official Statement and not defined in this Summary shall have the meanings set forth in the Current Resolution. Words importing the masculine gender include the feminine and neuter genders, words importing persons include firms, associations and corporations, and words importing the singular number include the plural number, and vice versa.

Definitions

"Act" means the Virginia Housing Development Authority Act, being Chapter 1.2 of Title 36 of the Virginia Code of 1950, as amended before or after the date of the Current Resolution (March 24, 1999).

"Asset" means any Mortgage Loan, Authority Property, Investment Obligation, Revenue, and, to the extent subject to the pledge or lien of the Current Resolution, any cash, Exchange Agreement or Enhancement Agreement. Funds and investments on deposit in any Payment Account and Defeasance Obligations in any Defeasance Account are not Assets.

"Authority" means the Virginia Housing Development Authority, a political subdivision of the Commonwealth, and its successors and assigns.

"Authority Designations" means the one or more designations given to a Rental Housing Bond or Rental Housing Bonds as set forth in or determined pursuant to the applicable Written Determinations or such other designations as may be deemed necessary or convenient by an Authorized Officer or by the Trustee with the consent of an Authorized Officer.

"Authority Property" means real property and improvements thereon or an ownership share in a cooperative housing association or a leasehold interest under a lease and any personal property attached to or used in connection with any of the foregoing owned by the Authority and either financed pursuant to the Current Resolution or acquired by the Authority by purchase or foreclosure of a Mortgage Loan or by deed in lieu thereof.

"Authorized Officer" means the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, Director of Finance, General Counsel, any functionally equivalent successor position to any of the aforementioned positions but which bears a different title, or any other person authorized by resolution of the Authority to act as an Authorized Officer under the Current Resolution.

"Bond Amount" means the one or more payments of principal and interest, including any Compounded Amount, Purchase Price, Redemption Price or Sinking Fund Installment, if applicable, due and payable from time to time with respect to a Rental Housing Bond from its date of issuance to its maturity, tender or redemption date, or any payment required to be made by the Authority pursuant to an Exchange Agreement or an Enhancement Agreement to the extent such payment thereunder is payable from Assets.

"Bond Limitations Resolution" means a resolution adopted by the Authority setting forth the limitations required by the Current Resolution and such other limitations and matters as may be deemed appropriate by the Authority.

"Bond Obligation" means, as of a specific date of calculation, the aggregate of (1) all interest due or accrued on Outstanding Rental Housing Bonds, (2) all unpaid principal on Outstanding Rental Housing Bonds, (3) the amount of the payment, if any, the Authority would be obligated to make on any Exchange Agreement payable from Assets if such Exchange Agreement were terminated on such date of calculation, and (4) all amounts owed by the Authority with respect to any Enhancement Agreement payable from Assets.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which banking institutions in Virginia, or the state in which the Principal Office of the Trustee is located, are authorized to remain closed and other than any day on which the New York Stock Exchange or a security depository with respect to a Rental Housing Bond is closed.

"Capital Appreciation Bond" means a Rental Housing Bond the interest on which is payable only at maturity or prior redemption as a component of its Compounded Amount.

"Chairman" means the Chairman of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor code, including the applicable temporary, proposed and permanent regulations, revenue rulings and revenue procedures.

"Commonwealth" means the Commonwealth of Virginia.

"Compounded Amount" means, with respect to a Capital Appreciation Bond, a Delayed Interest Bond or any other Rental Housing Bond so determined in or pursuant to the applicable Written Determinations or, the sum of principal and accrued interest with respect to such Bond, as of any date, as set forth in or determined pursuant to the applicable Written Determinations.

"Dated Date" means the date on which a Rental Housing Bond initially begins to accrue interest as set forth in or determined pursuant to the applicable Written Determinations.

"Defeasance Account" means a trust account or other financial arrangement whereby the Trustee holds Defeasance Obligations in trust for the payment of all Bond Amounts due and payable or to become due and payable at maturity or upon earlier redemption with respect to one or more Rental Housing Bonds and all fees and expenses of the Trustee with respect to the administration of such trust account or other financial arrangement.

"Defeasance Obligation" means cash, any direct obligation of the United States of America, any direct federal agency obligation the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by the United States of America, and any Certificates of Accrual on Treasury Securities or Treasury Investors Growth Receipts; provided, however, that the foregoing are not subject to redemption, call or prepayment, in whole or in part, prior to their respective maturity dates.

"Delayed Interest Bond" means a Rental Housing Bond the interest on which accrues and compounds, from its Dated Date and at an interest rate and compounding interval specified in or determined pursuant to the applicable Written Determinations, to a date specified in such applicable Written Determinations on which date such Bond shall reach its full Compounded Amount, and with

respect to which, from and after such date, interest on such Bond is to be payable on such Compounded Amount on the dates and at the interest rate specified in or determined pursuant to such applicable Written Determinations.

"Deputy Executive Director" means the Deputy Executive Director of the Authority.

"Development" means (i) the real property and improvements thereon subject to the lien of a Mortgage, (ii) the real property and improvements thereon owned by a cooperative housing association the ownership shares in which are subject to the lien of a Mortgage, (iii) real property and improvements thereon the leasehold interest in which is subject to the lien of a Mortgage, or (iv) Authority Property.

"Director of Finance" means the Director of Finance of the Authority.

"DTC" means The Depository Trust Company.

"Enhancement Agreement" means an agreement with one or more third parties which sets forth the terms and conditions upon which such third party or parties will provide for the payment of all or a portion of one or more Bond Amounts with respect to a Rental Housing Bond or a payment to the Authority. The obligations of and any receipts by the Authority with respect to such Enhancement Agreement shall or shall not, as and to the extent set forth in or determined pursuant to the applicable Written Determinations or an Officer's Certificate, be payable from Assets or constitute an Asset, as applicable.

"Event of Default" means any of the events set forth in "Events of Default" below.

"Exchange Agreement" means an agreement with one or more third parties which sets forth the terms and conditions upon which such third party or parties and the Authority will exchange or make payments to the other party or parties. The obligations of and any receipts by the Authority with respect to such agreement shall or shall not, as and to the extent set forth in or determined pursuant to the applicable Written Determinations or an Officer's Certificate, be payable from Assets or constitute an Asset, as applicable.

"Executive Director" means the Executive Director of the Authority.

"Expense" means any expenditure payable or reimbursable by the Authority which is directly or indirectly related to the authorization, sale, delivery, issuance, remarketing, enhancement, monitoring, purchase, redemption or trusteeship of any Rental Housing Bond or Asset.

"External Trustee" means a Trustee other than the Authority.

"General Counsel" means the General Counsel of the Authority.

"Interest Payment Date" shall mean any date, as set forth in or determined pursuant to the applicable Written Determinations, on which interest is due and payable with respect to a Rental Housing Bond.

"Investment Obligation" means any of the following acquired or pledged pursuant to the Current Resolution, except to the extent limited by any amendments to the Act enacted after the date of the Current Resolution (March 24, 1999):

(A) direct general obligations of the United States of America;

(B) direct obligations of any state of the United States of America or any political subdivision thereof or the District of Columbia bearing a Rating;

(C) obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(D) obligations which bear a Rating and the payment of the principal of and interest on which are unconditionally guaranteed by any state of the United States of America or any political subdivision thereof or the District of Columbia;

(E) bonds, debentures, participation certificates or notes or other obligations (including asset backed securities) issued by any one or any combination of the following: Federal Financing Corporation, Federal Farm Credit Banks (Bank for Cooperatives and Federal Intermediate Credit Banks), Federal Home Loan Bank System, Federal National Mortgage Association, World Bank, Export-Import Bank of the United States, Student Loan Marketing Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Inter-American Development Bank, International Bank for Reconstruction and Development, Small Business Administration, Washington Metropolitan Area Transit Authority, Resolution Funding Corporation, Tennessee Valley Authority, or any other agency or corporation which has been or may after the date of the Current Resolution (March 24, 1999) be created by or pursuant to an Act of the Congress of the United States ("Congress") as an agency or instrumentality thereof the bonds, debentures, participation certificates or notes or other obligations (including asset backed securities) of which are unconditionally guaranteed by the United States of America or bear a Rating;

(F) certificates of deposit, banker's acceptances, investment contracts, and any interest-bearing time deposits which are issued by any member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation;

(G) Eurodollar time deposits and Eurodollar certificates of deposit the issuers of which have obligations which, at the time of acquisition of such deposits or certificates, bear a Rating;

(H) obligations, including investment contracts, of corporations which have obligations which, at the time of acquisition of such obligations including investment contracts, bear a Rating;

(I) any other investments which, at the time of acquisition thereof, bear a Rating and are legal investments for fiduciaries or for public funds of the Authority, the Commonwealth and/or its political subdivisions;

(J) repurchase agreements with respect to any of the other Investment Obligations; and

(K) any other investment (debt or equity), investment agreement, Exchange Agreement, swap contract, futures contract, forward contract or other obligation which, in the determination of an Authorized Officer, is a suitable investment under the Current Resolution, in light of the amount and timing of Bond Obligation payments, the amount of Assets, and the availability of monies to pay Bond Obligations as they become due, at the time of acquisition thereof.

"Mortgage" means a mortgage deed, deed of trust, or other security instrument which secures a Mortgage Loan and which shall constitute a lien on real property and improvements thereon or on an ownership share in a cooperative housing association or on a leasehold interest under a lease and may also constitute a lien on or security interest in any personal property attached to or used in connection with any of the foregoing.

"Mortgage Loan" means each of the following financed or pledged pursuant to the Current Resolution and the Act: (1) a loan evidenced by an interest bearing obligation secured by a Mortgage for financing the acquisition, construction, rehabilitation and/or ownership of multi-family residential housing (which housing may be an economically mixed development) and any non-housing buildings or portions of buildings as authorized by the Act, (2) an obligation, certificate or instrument for which such a loan secured by a Mortgage is the security or the source of payment, or (3) a participation or other ownership interest in either a loan described in (1) or an obligation, certificate or instrument described in (2) with another party or parties or with another source of funds of the Authority not pledged under the Current Resolution. The terms "economically mixed project" and "nonhousing building" have the meanings set forth in the Act.

"Mortgagor" means the obligor or obligors on a Mortgage Loan.

"Officer's Certificate" means a certificate signed by an Authorized Officer.

"Outstanding" means, when used with reference to Rental Housing Bonds and as of any particular date, all Rental Housing Bonds theretofore and thereupon being issued except (1) any Rental Housing Bond for which funds for the payment of all Bond Amounts due and payable or to become due and payable with respect to such Bond have been paid to the Owner thereof or are held in a Defeasance Account or Payment Account, and (2) any Rental Housing Bond in lieu of or in substitution for which another Rental Housing Bond or Bonds shall have been delivered. If an Officer's Certificate shall have been delivered with respect to a Rental Housing Bond that the Authority is the Owner thereof stating the Authority's intent that such Rental Housing Bond shall remain outstanding, such Bond does not cease to be Outstanding.

"Owner" means the party set forth in the Registration Books as the owner of a Rental Housing Bond or any other party due a Bond Amount.

"Payment Account" means any trust account or other financial arrangement with the Trustee in which payments made by the Authority to the Trustee with respect to Bond Amounts then due and payable are held in trust by the Trustee pending disbursement to the Owners thereof.

"Principal Office" means the office so designated by the Trustee as its office for administering its duties with respect to the Current Resolution.

"Purchase Price" means the purchase price, including accrued interest, of a Rental Housing Bond on a Tender Date as set forth in or determined pursuant to the applicable Written Determinations.

"Rating" means an investment grade rating assigned by a nationally recognized rating agency to an Investment Obligation or, if such Investment Obligation is not rated, an investment grade rating assigned to the obligor or guarantor of such Investment Obligation.

"Record Date" means the date or dates established as described in "Record Dates" below.

"Redemption Price" means the principal or Compounded Amount of a Rental Housing Bond or portion thereof to be redeemed plus the applicable redemption premium, if any, payable upon redemption thereof.

"Registration Books" means the records of the Trustee and the Authority which set forth the Owner of any Rental Housing Bond or any other party due a Bond Amount and such other information as is usual and customary in the securities industry or as specifically directed by the Authority.

"Revenues" means all net proceeds from the sale or other disposition of any Rental Housing Bond or Asset, payments of principal of and interest on Mortgage Loans (including any moneys received by the Authority and applied to such principal and interest) and Investment Obligations, fees and penalties charged or assessed by the Authority with respect to a Mortgage Loan (excluding processing, financing, prepayment or other similar fees), income received by the Authority as owner of Authority Property (excluding such income to be applied to the payment of operating expenses or to be deposited into reserve or escrow funds for such Authority Property), and payments received with respect to an Enhancement Agreement or an Exchange Agreement payable from Assets.

"Revenue Test" means the test set forth in "Revenue Test" below.

"Sinking Fund Installment" means the amount of principal or Compounded Amount of any particular Term Bonds to be redeemed or retired prior to the maturity date of such Term Bonds all as set forth in or determined pursuant to the applicable Written Determinations.

"Supplemental Bond Resolution" means any resolution of the Authority amending or supplementing the Current Resolution adopted and becoming effective in accordance with the terms of the Current Resolution on or after the effective date of the Current Bond Resolution (March 24, 1999).

"Tax Covenant" means the covenant set forth in the last paragraph under "Covenants" below.

"Term Bonds" means the Rental Housing Bonds as so designated in or pursuant to the applicable Written Determinations.

"Tender Date" means any date on which a Rental Housing Bond is subject to tender to the Trustee or the Authority or any other party serving as tender agent for purchase as set forth in or determined pursuant to the applicable Written Determinations.

"Trustee" means the trustee appointed by or pursuant to the provisions of the Current Resolution.

"Vice Chairman" means the Vice Chairman of the Authority.

"Written Determinations" means one or more determinations made in writing by an Authorized Officer which sets forth those terms and conditions authorized by the Current Resolution to be contained therein and such other terms and conditions as an Authorized Officer may deem appropriate and as shall not be inconsistent with the Current Resolution and the applicable Bond Limitations Resolution. Any such Written Determinations may be amended by an Authorized Officer from time to time prior to the issuance of Rental Housing Bonds designated therein and may thereafter be amended as provided in the Current Resolution. Any Written Determinations shall be subject to the conditions and limitations set forth in or determined pursuant to the applicable Bond Limitations Resolution.

Assets and the Pledge Thereof

Subject only to the right of the Authority to withdraw, transfer, sell, exchange or otherwise apply Assets in accordance with the provisions of the Current Resolution, a pledge of Assets is made by the Current Resolution to secure the payment of the Authority's obligations with respect to the Current Resolution, including any and all Bond Amounts; and subject to such right of the Authority, such Assets, regardless of their location or method of identification, are and shall be held in trust for the purposes and under the terms and conditions of the Current Resolution.

Funds and investments on deposit in any Payment Account and Defeasance Obligations in any Defeasance Account are not Assets; however, a pledge of funds and investments in any Payment Account and Defeasance Obligations in any Defeasance Account is made by the Current Resolution to secure the payment of the Authority's obligations (including any and all Bond Amounts) on the Rental Housing Bonds, any Enhancement Agreement and any Exchange Agreement with respect to which such funds and investments and Defeasance Obligations are so deposited.

Authorization

The Current Resolution authorizes the issuance of Rental Housing Bonds from time to time by the Authority in such amounts and upon such terms and conditions as shall be set forth in or determined pursuant to the Written Determinations approved by an Authorized Officer and the applicable Bond Limitations Resolution. Each Bond Limitations Resolution must specify, or set forth the manner for determining, the following limitations with respect to Rental Housing Bonds issued pursuant thereto: (1) the maximum principal amount of Rental Housing Bonds to be issued or to be Outstanding subject to such Bond Limitations Resolution; (2) the latest date by which the Authority may enter into the one or more contracts providing for the sale of Rental Housing Bonds; (3) the

minimum purchase price for the Rental Housing Bonds upon the issuance thereof; and (4) any such other matters as the Authority deems appropriate.

Application of Assets for Payment of Bond Amounts

On any day on which a Bond Amount is due and payable (or, if such day is not a Business Day, the next Business Day thereafter), the Authority shall pay such Bond Amount from Assets or other funds of the Authority to either, at the Authority's option, the Trustee or to the Owner of such Bond Amount. No such payment shall be made unless the Authority shall pay, in full, all Bond Amounts due and payable on such date. Any such payment to the Trustee shall be in the form of cash or Investment Obligation which is a cash equivalent and the Trustee shall make payment of such Bond Amount to the Owner thereof in accordance with the immediately succeeding paragraph. Any such payment to the Trustee shall, pending disbursement thereof to the Owner thereof, be deposited into a Payment Account.

Each Bond Amount shall be payable to the Owner thereof by check, draft, electronic funds transfer or other means determined by an Authorized Officer (which payment methodology can vary depending upon the amount of the Bond Amount, the Owner of such Bond Amount and the usual and customary practices in the securities industry as determined by an Authorized Officer) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, unless otherwise set forth in or determined pursuant to the applicable Written Determinations.

Funds and investments on deposit in any Payment Account shall not be Assets and shall be unavailable for payment to Owners other than the Owners of the Bond Amounts with respect to which such funds and investments were deposited by the Authority or the Trustee in such Payment Account, and the Owners of any such Bond Amounts shall no longer have a lien on or the benefit of a pledge of the Assets with respect to such Bond Amounts but shall have a lien on, and the benefit of the pledge of, the funds and investments in such Payment Account and shall look only to such funds and investments for payment. No funds and investments shall be withdrawn from any Payment Account other than to pay the applicable Bond Amounts. If funds and investments remain in a Payment Account subsequent to the payment of all the applicable Bond Amounts, such funds and investments shall be transferred to the Authority free of any lien or pledge of the Current Resolution.

Withdrawal, Transfer, Sale, Exchange and Modification of Assets

On any date, the Authority may either directly or by direction to the Trustee (i) apply Assets to make, purchase, finance or refinance Mortgage Loans, to acquire, rehabilitate, construct, finance or refinance Authority Property, to purchase Investment Obligations and make any required payments associated therewith, to make payments pursuant to any agreement associated, related or entered into with respect to the Rental Housing Bonds, to make payments to any party to comply with the Tax Covenant, to purchase any Rental Housing Bond, to pay any Expense, or to make any other withdrawal, transfer, sale, exchange or other application of Assets required, permitted or contemplated by the Current Resolution, or (ii) subject to satisfaction of the Revenue Test, transfer all or any portion of any Asset to the Authority. Assets so transferred to the Authority shall not thereafter be subject to the lien or pledge created by the Current Resolution.

The Authority shall be authorized to sell or exchange any Asset to or with any party (including the Authority) at a price and/or for other assets equal to such Asset's fair market value, or subject to satisfaction of the Revenue Test, described below, at any price and/or for any assets. For purposes of the Current Resolution, a sale to or exchange with the Authority includes any transaction in which cash or assets of the Authority not included in the Assets are used to pay the sales price of or are exchanged for the Assets.

The Authority may modify or amend, in any manner it deems appropriate in its sole judgment, the terms and conditions of any Asset, subject to satisfaction of the Revenue Test described below or subject to the determination of an Authorized Officer that such modification or amendment is either (i) not materially adverse to the payment of any Bond Amount, or (ii) in the best interests of the Owners.

Revenue Test

The Revenue Test requires that, prior to effecting any proposed action which is subject thereto, an Authorized Officer shall, based on such assumptions as such Authorized Officer shall deem reasonable (but without taking into account any future issuances of Rental Housing Bonds and any Assets derived therefrom, or any future execution of Exchange Agreements or Enhancement Agreements payable from Assets), determine that, subsequent to the effecting of such action, the anticipated Revenues (including Revenues anticipated to be derived from any acquisition, sale, transfer, exchange, withdrawal or other application or prepayment of any Asset and taking into account any default in the payment of Revenues which such Authorized Officer reasonably expects) to be derived from all Assets which are to remain or anticipated to become subject to the lien or pledge of the Current Resolution shall be at least sufficient to pay all Bond Amounts as such Bond Amounts are or are anticipated to become due and payable (by purchase, redemption, or otherwise).

Investment of Funds

Funds pledged pursuant to the Current Resolution may be invested in Investment Obligations.

Covenants

Except funds and investments in any Payment Account and Defeasance Obligations in any Defeasance Account, an asset or property may be acquired (by purchase or exchange) or financed pursuant to the Current Resolution only if such asset or property constitutes an Asset.

Subject to the Tax Covenant set forth in the following paragraph, the Authority shall do all such acts as may be reasonably necessary in the sole judgment of the Authority to receive and collect Revenues and to enforce the terms and conditions relating to the Assets.

The Authority shall at all times do and perform all acts required by the Code in order to assure that interest paid by the Authority on a Tax-Exempt Bond shall not be included in gross income of the Owner thereof pursuant to the Code.

Incurrence of Additional Obligations Payable from Assets

The Current Resolution permits the issuance of additional Rental Housing Bonds and the execution of Exchange Agreements and Enhancement Agreements payable from Assets. The Rental Housing Bonds and any Exchange Agreement or Enhancement Agreement payable from Assets, regardless of the time or times of their issuance, execution or maturity, shall be of equal rank without preference, priority or distinction, except as otherwise expressly provided in or determined pursuant to a Supplemental Bond Resolution in accordance with subparagraph (8) in "Amendments" below.

Amendments

Amendments to the Current Resolution may be made by a Supplemental Bond Resolution. Supplemental Bond Resolutions which become effective upon filing with the Trustee may be adopted for any one or more of the following purposes:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Current Resolution;

(2) To include such provisions as are deemed by an Authorized Officer to be necessary or desirable and are not contrary to or inconsistent with the Current Resolution as theretofore in effect;

(3) To add other covenants, agreements, limitations, or restrictions to be observed by the Authority which are not contrary to or inconsistent with the Current Resolution as theretofore in effect;

(4) To add to the rights or privileges of the Owners;

(5) To surrender any right, power or privilege reserved to or conferred upon the Authority by the Current Resolution;

(6) To comply with any provision of the Code or federal or state law or regulation;

(7) To modify or amend the Current Resolution in any respect, subject to satisfaction of the Revenue Test; provided, however, that no such modification or amendment pursuant to this Subsection (7) shall modify or delete, or shall authorize or permit any deletion or modification of, any of the following: (i) any of the covenants, rights or remedies pursuant to the Tax Covenant or the provisions of the Current Resolution relating to default and remedies on default, (ii) the definition of Revenue Test, (iii) any requirement for satisfaction of the Revenue Test, (iv) the definition of Defeasance Obligation, (v) the provisions of the Current Resolution relating to the constitution of the Current Resolution as a contract, the general obligation of the Authority, the pledge of Assets, and Assets held in trust (vi) the provisions of the Current Resolution which set forth those provisions permitting amendments effective upon filing to the Current Resolution, (vii) the provisions of the Current Resolution relating to the removal of the Trustee, (viii) the provisions of the Current Resolution relating to defeasance, (ix) any requirement for notice to or consent, approval or direction of Owners, or (x) the terms of redemption or the due date or amount of payment of any Bond Amount without the consent of the Owner of such Bond Amount; or

(8) To set forth the amendments to the Current Resolution necessary or desirable to provide for the issuance of Rental Housing Bonds or the execution of Exchange Agreements or Enhancement Agreements payable from Assets, (i) on which the payment of the Bond Amounts may be subordinate to the payment of the Bond Amounts with respect to other Rental Housing Bonds or Exchange Agreements or Enhancement Agreements payable from Assets, (ii) which may have the payment of their Bond Amounts conditional upon the happening of certain events, (iii) which may not be general obligations of the Authority, (iv) which may not be secured by all or any of the Assets, or (v) whose Owners do not have all of the rights or benefits of the other Owners.

Other Supplemental Bond Resolutions may become effective only if (1) on the date such Resolution becomes effective, no Rental Housing Bond issued prior to the adoption of such Resolution remains Outstanding and no Exchange Agreement or Enhancement Agreement in existence prior to the adoption of such Resolution remains payable from Assets, or (2) with consent of the Owners of at least 50% of the Bond Obligation responding to the request for consent within the time period as shall be established

(and as may be extended) by the Trustee. If, however, such Resolution will, by its terms, not take effect so long as certain Rental Housing Bonds shall remain Outstanding or shall not affect certain Owners, the consent of such Owners shall not be required or recognized, and such Rental Housing Bonds shall not be deemed to be Outstanding for the purpose of any calculation of the Bond Obligation described in this paragraph. No such Resolution shall permit a change in the terms of redemption or in the due date or amount of payment of any Bond Amount without the consent of the Owner of such Bond Amount or lower the percentage of the Owners required to effect any such amendment.

Defeasance

If (i) Defeasance Obligations shall have been deposited in a Defeasance Account, (ii) the principal of and interest on such Defeasance Obligations at maturity, without reinvestment, shall be sufficient, in the determination of an Authorized Officer, to pay all Bond Amounts when due at maturity or upon earlier redemption with respect to a Rental Housing Bond and all fees and expenses of the Trustee with respect to such Defeasance Account, and (iii) any notice of redemption, if applicable, shall have been given to the Owner thereof or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then notwithstanding any other provision of the Current Resolution to the contrary, the Owner of such Rental Housing Bond shall no longer have a lien on, or the benefit of a pledge of, the Assets, and such Rental Housing Bond shall no longer be deemed Outstanding under the Current Resolution. If the foregoing requirements shall have been satisfied with respect to all Outstanding Rental Housing Bonds and no Enhancement Agreement or Exchange Agreement remains payable from Assets, then the lien, pledge, covenants, agreements and other obligations under the Current Resolution shall, at the election of the Authority, be discharged and satisfied, and the Trustee shall thereupon deliver to the Authority all Assets held by it.

Defeasance Obligations shall not be Assets and shall be unavailable for payment to Owners other than the Owners of the Bond Amounts with respect to which such Defeasance Obligations shall have been deposited by the Authority in the applicable Defeasance Account. The Owners of such Bond Amounts so deposited shall have a lien on, and the benefit of the pledge of, the Defeasance Obligations in such Defeasance Account and shall look only to such Defeasance Obligations for payment.

No Defeasance Obligation shall be withdrawn from any Defeasance Account other than to pay, when due, the applicable Bond Amounts or the fees and expenses of the Trustee with respect to such Defeasance Account. If any Defeasance Obligation remains in a Defeasance Account subsequent to the payment of all the applicable Bond Amounts and all fees and expenses of the Trustee with respect to such Defeasance Account have been paid, such Defeasance Obligations shall be transferred to the Authority free of any lien or pledge of the Current Resolution.

For the purpose of defeasance, interest on any Rental Housing Bond on which the interest is or may be payable at a variable rate shall be calculated at the maximum interest rate (or, if none, the estimated maximum interest rate as determined by an Authorized Officer in an Officer's Certificate) payable on such Bond.

Cash on deposit in a Defeasance Account shall, upon the direction of an Authorized Officer, be invested by the Trustee in Defeasance Obligations or any repurchase agreement fully collateralized, as determined by an Authorized Officer, by any Defeasance Obligations.

Trustee

Any Trustee appointed under the Current Resolution must be (1) a bank, trust company or national banking association, having trust powers, or (2) with the prior approval of its Commissioners, the Authority. U.S. Bank Trust Company, National Association currently is acting as External Trustee under the Current Resolution. The rights, responsibilities and duties of the Trustee under the Current Resolution are vested in said Trustee in trust for the benefit of the Owners. Any successor Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Current Resolution by executing and delivering to the Authority a written instrument of acceptance thereof. The External Trustee shall not be liable in connection with the performance of its duties and responsibilities under the Current Resolution, except for its own negligence or default.

Unless otherwise provided by contract between an External Trustee and the Authority, the Trustee may at any time resign and be discharged of its duties and obligations created by the Current Resolution by giving not less than ninety (90) days' written notice to the Authority. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority as provided in the Current Resolution, in which event such resignation shall take effect immediately on the effective date of the appointment of such successor. Notwithstanding anything in the Current Resolution to the contrary, the resignation of the Trustee shall not take effect until a successor Trustee shall have been appointed and shall have accepted its duties and obligations as of the effective date of such resignation.

Any Trustee may be removed at any time by the Owners of a majority of the Bond Obligation by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or by their attorneys duly authorized in writing and delivered to the External Trustee, if any, and to the Authority. The Authority may remove any External Trustee at any time, except during the existence and continuance of an Event of Default. In the event of the occurrence and continuance of an Event of Default and in the event that the Authority is serving in the capacity of the Trustee, the Authority shall immediately appoint a successor Trustee or shall, or any Owner may, petition a court of competent jurisdiction to appoint a successor Trustee, and the Authority shall resign as Trustee as of the effective date of the appointment of such successor Trustee. No Trustee shall be removed unless, on or prior to the

effective date of removal of the Trustee, the Owners, the Authority or a court of competent jurisdiction, as the case may be, shall have appointed a successor Trustee and such successor Trustee shall have accepted its duties and obligations under the Current Resolution as of the effective date of such removal. Any successor Trustee shall have the qualifications described above.

Events of Default

The Current Resolution provides that each of the following is an Event of Default: (i) a Bond Amount shall become due on any date and shall not be paid by the Authority to either the Trustee or party due such Bond Amount on said date; or (ii) a default shall be made in the observance or performance of any covenant, contract or other provision of the Rental Housing Bonds or Current Resolution, and such default shall continue for a period of ninety (90) days after written notice to the Authority from Owners of 10% of the Bond Obligation or from the Trustee specifying such default and requiring the same to be remedied; or (iii) there shall be filed by or against the Authority as debtor a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) under any applicable law or statute now or hereafter in effect.

Remedies

Upon the occurrence and continuance of an Event of Default described in clause (i) in the prior paragraph entitled "Events of Default," the Trustee may, after notice to the Authority, and upon the written request of the Owners of not less than 25% of the Bond Obligation with respect to which such Event of Default has happened, shall, proceed to protect and enforce its rights and the rights of the Owners under applicable law or the Current Resolution. Pursuant to the Act, in the event that the Authority shall default in the payment of principal of or interest on any issue of the Rental Housing Bonds and such default shall otherwise continue for 30 days or in the event that the Authority shall fail to comply with the provisions of the Current Resolution, the Owners of 25% in aggregate principal amount of such issue of Rental Housing Bonds may appoint a trustee to represent the Owners of such issue of Rental Housing Bonds, and such trustee may, and upon written request of the Owners of 25% in aggregate principal amount of such issue of Rental Housing Bonds shall, in its name declare all such issue of Rental Housing Bonds due and payable.

Upon the occurrence and continuance of any Event of Default, the Trustee may, after notice to the Authority, and upon the written request of the Owners of not less than 25% of the Bond Obligation, shall, proceed to protect and enforce its rights and the rights of the Owners under applicable law or the Current Resolution.

No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Current Resolution or for the execution of any trust thereunder or for any other remedy thereunder, unless (i) (a) such Owner previously shall have given to the Authority and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Owners of not less than 25% of the Bond Obligation or, if such Event of Default is an Event of Default described in clause (i) in the prior section entitled "Events of Default," by the Owners of not less than 25% of the Bond Obligation with respect to which such Event of Default has happened, and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (c) the Trustee shall have refused or neglected to comply with such request within a reasonable time, or (ii) (a) such Owner previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (b) such suit, action or proceeding is brought for the ratable benefit of all Owners subject to the provisions of the Current Resolution. No Owner shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge of Assets under the Current Resolution, or, except in the manner and on the conditions described in this paragraph, to enforce any right or duty under the Current Resolution.

However, nothing in the Current Resolution shall affect or impair the right of any Owner to enforce the payment of any Bond Amount due such Owner.

In any action, suit or other proceeding by the Trustee, the fees and expenses of the Trustee and its counsel allowed by a court of competent jurisdiction, shall be a first lien on the Assets.

All Assets collected by the Trustee pursuant to the provisions of the Current Resolution described in this "Remedies" section shall, unless otherwise directed by a court of competent jurisdiction, be held in trust by the Trustee for the benefit of the Owners, and shall be applied in a manner determined by the Trustee to comply with the terms of the Current Resolution.

In the event that the Assets held by the Authority or Trustee shall be insufficient for the payment of Bond Amounts as such become due and payable, such Assets shall be applied to the payment to the Owners entitled thereto of all Bond Amounts which shall have become due and payable, ratably, according to the amounts due and payable, without any discrimination or preference unless otherwise expressly provided in or determined pursuant to the Current Resolution.

No remedy by the terms of the Current Resolution conferred upon or reserved to the Trustee or to Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute, except as provided in the Current Resolution.

In the case of an Event of Default, the Owners of a majority of the Bond Obligation, shall have the right, subject to the provisions of the Current Resolution, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the

Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Owners not parties to such direction.

Record Dates

The Trustee shall establish such Record Date(s), which the Authority may require to be subject to its prior approval, for the purposes of determining the Owner of any Rental Housing Bond or Bond Amount or determining the Owners who are eligible to give their consent or who are to receive notices of certain events under the Current Resolution or who may exercise certain rights under the Current Resolution.

Registration

The Authority and the Trustee may deem and treat the party in whose name any Rental Housing Bond shall be registered upon the Registration Books on an applicable Record Date as the absolute Owner of such Rental Housing Bond, whether such Rental Housing Bond shall be overdue or not, for the purpose of receiving payment of any Bond Amount due and payable during the time period such person is the Owner of said Rental Housing Bond, and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability with respect to such Rental Housing Bond to the extent of the Bond Amount(s) so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Law Applicable

The laws of the Commonwealth shall be applicable to the interpretation and construction of the Current Resolution, except to the extent that the laws of another jurisdiction are determined in or pursuant to the applicable Written Determinations to be applicable.

TAX MATTERS

Federal Taxes

In the opinion of Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance by the Authority with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to the exclusion from gross income of interest on any Offered Bond for any period during which the Offered Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Offered Bonds or a "related person", and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Offered Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Offered Bonds, and Bond Counsel has assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

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

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Offered Bonds in order that interest on the Offered Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, occupancy and use limitations on the financing by the Authority of residential rental developments, residential real property for family units and governmental property, requirements relating to use and expenditure of gross proceeds of the Offered Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Offered Bonds to become included in gross income for federal income tax purposes retroactive to the date interest began to accrue, irrespective of the date on which such noncompliance occurs or is discovered. (See "Requirements Applicable to Developments Financed by Tax-Exempt AMT Bonds and Tax-Exempt Non-AMT Bonds" and "Requirements Applicable to Developments Financed by Transitioned 1954 Code Tax-Exempt Non-AMT Bonds", both in "The Multi-Family Program").

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

Prospective owners of the Offered Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Offered Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

The Authority's Tax Certification, which will be delivered concurrently with the delivery of the Offered Bonds, will contain provisions and procedures relating to compliance with the requirements of the Code. The Authority, in executing its Tax Certification, will certify to the effect that it expects to be able to and will comply with the provisions and procedures set forth therein. The Authority has also covenanted in the Current Resolution that it shall at all times do and perform all acts required by law in order to assure that interest paid on the Offered Bonds is not included in the gross incomes of the owners thereof pursuant to the Code. In furtherance thereof, if and to the extent necessary to comply with the Code, the Authority has required or will require each Mortgagor with respect to each Mortgage Loan to be financed from the proceeds of the Offered Bonds to make certain covenants in the Mortgage Loan documents (the form of which is subject to the review of Bond Counsel) in order to satisfy the above described requirements of the Code. However, no assurance can be given that in the event of a breach of any such provisions, procedures and covenants, the remedies available to the Authority and/or owners of the Offered Bonds can be judicially enforced in such manner as to assure compliance with the requirements of applicable federal tax law and therefore to prevent the loss of the exclusion of interest on the Offered Bonds pursuant to the Code. Furthermore, with respect to any Mortgage Loan insured by the Federal Housing Administration ("FHA") which may be financed with the proceeds of the Offered Bonds, such provisions, procedures and covenants will be subordinate to the rights of FHA under the Mortgage Loan documents, and the enforcement of such provisions, procedures and covenants will be subject to FHA approval; however, the Code provides that the above described requirements shall cease to apply to the Development if (i) any action of FHA prevents the Authority from enforcing such provisions, procedures and covenants, and (ii) the Offered Bonds issued to finance the FHA Mortgage Loan are retired within a reasonable time. Any loss of the exclusion of interest on the Offered Bonds may be retroactive to the date the Offered Bonds began to accrue interest, irrespective of when an event of noncompliance may occur or be ascertained.

Backup Withholding and Information Reporting

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Offered Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients.

A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing an Offered Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Offered Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Virginia Taxes

Under the Act, income on the Offered Bonds, including any profit made on the sale thereof, is not included in taxable income for purposes of income taxation by the Commonwealth and by the municipalities and all other political subdivisions of the Commonwealth. All potential purchasers should consult their tax advisors regarding tax treatment of the Offered Bonds by the Commonwealth.

Proposed Legislation and Other Matters

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

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

CONTINUING DISCLOSURE

The Authority has covenanted for the benefit of the Holders and the Beneficial Owners, as each term is defined in the Continuing Disclosure Agreement, of the Offered Bonds, to provide certain financial information and operating data relating to the Authority by not later than 180 days following the end of the Authority's Fiscal Year (the "Annual Financial Information"), and to provide notices of the occurrence of certain enumerated events. See Appendix H for a Summary of the Continuing Disclosure Agreement, including defined terms. The Continuing Disclosure Agreement provides that the Annual Financial Information and notices of such events shall be filed by the Authority in the manner prescribed by the Municipal Securities Rulemaking Board (the "MSRB") which currently requires filing with the Electronic Municipal Markets Access ("EMMA") system established by the MSRB. EMMA's website address currently is www.emma.msrb.org.

The specific nature of the information to be contained in the Annual Financial Information or the required event notices and other terms of the Continuing Disclosure Agreement are summarized in Appendix H. These covenants have been made in order to assist the Underwriters to comply with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule").

The rights of the Trustee and of Owners, including Beneficial Owners, to enforce the provisions of the Continuing Disclosure Agreement are limited as described more fully in "Enforcement" in Appendix H and any failure by the Authority to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Rental Housing Bonds Resolution.

The Continuing Disclosure Agreement requires the Authority to provide only limited information at specified times and may not require the disclosure of all information necessary for determining the value of the Offered Bonds.

The Authority periodically compiles certain information on its bond and mortgage loan programs which is available on its website. Although the Authority presently intends to continue to compile such information and make it available on its website, it is not obligated to do so pursuant to the Continuing Disclosure Agreement.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Offered Bonds and the federal income tax treatment of interest on the Offered Bonds will be the subject of the approving and tax opinion (the "Approving and Tax Opinion") of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. The proposed form of the Approving and Tax Opinion is attached hereto as Appendix I. Bond Counsel has not been engaged to investigate the financial resources of the Authority or its ability to provide for payment of the Offered Bonds, and the Approving and Tax Opinion will not make any statement as to such matters or as to the accuracy or completeness of this Official Statement generally. Certain legal matters will be passed on for the Authority by its Chief Counsel, Fred W. Bryant, or its Deputy Chief Counsel, Steven C. Mintz.

UNDERWRITING

The Offered Bonds are being purchased by J.P. Morgan Securities LLC (the "Underwriters"). The Underwriters have agreed, pursuant to certain terms and conditions with respect to the Offered Bonds, to purchase at the prices set forth on the front cover hereof all of the Offered Bonds if any are purchased. In connection with said purchase and underwriting, the Underwriters are to receive a fee of $41,436.40.

The information regarding initial public offering prices or yields set forth on the front cover of this Official Statement as delivered in its final form has been provided by the Underwriters.

The Underwriters and their respective affiliates may be full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their respective affiliates may have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for the Authority, for which they received or will receive customary fees and expenses. (See "General Fund and Other Net Assets" in "Part III – General Information About the Authority.")

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the 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 clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

As noted on the front cover, the Offered Bonds received long-term ratings of "Aa1" from Moody's and "AA+" from Standard & Poor's. It is a condition to the Underwriters' obligation to purchase the Offered Bonds that Moody's and Standard & Poor's shall have assigned such long-term ratings and that neither rating agency shall have lowered, withdrawn or suspended its rating prior to the Date of Delivery.

An explanation of the significance of these ratings and the ratings noted in "General Obligations of the Authority" in "Security" may be obtained from the rating agencies. The ratings are not a recommendation to buy, sell or hold the Offered Bonds and should be evaluated independently. There is no assurance that the ratings will be maintained for any period of time or that the ratings may not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Circumstances that could cause a downgrade include, but are not limited to, adverse economic conditions and adverse changes to the Authority's financial condition. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Offered Bonds.

LITIGATION

No litigation of any nature as of the date hereof is pending against the Authority or, to the Authority's knowledge, threatened against the Authority (i) to restrain or enjoin the issuance and delivery of any of the Offered Bonds, (ii) to in any material way restrain or enjoin the collection and application of Assets pledged pursuant to the Rental Housing Bonds Resolution, (iii) in any way contesting or affecting any authority for the issuance or validity of the Offered Bonds or the validity of the Rental Housing Bonds Resolution, (iv) in any material way contesting the existence or powers of the Authority, or (v) in any material way contesting or affecting the Assets pledged for the payment of the Offered Bonds.

LEGAL INVESTMENT

The Act provides, in part, that the Authority's bonds (which would include Rental Housing Bonds) are legal investments in which all public officers and public bodies of the Commonwealth and its political subdivisions, all municipalities and municipal subdivisions of the Commonwealth, and all insurance companies and associations, banks, bankers, banking associations, trust companies, savings banks, savings associations, savings and loan associations, building and loan associations, investment companies, administrators, guardians, executors, trustees and other fiduciaries located in Virginia may properly and legally invest funds, including capital, in their control or belonging to them. The Act further provides that the Authority's bonds are also securities which may properly and legally be deposited with and received by all public officers and bodies of the Commonwealth or any agencies or political subdivisions of the Commonwealth and all municipalities and public corporations of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law. However, such entities or persons may be subject to other laws or legal restrictions limiting investment of funds or the types of securities that may be deposited or received for particular purposes.

MISCELLANEOUS

The Authority has furnished all information in this Official Statement relating to the Authority. The financial statements of the Authority in Appendix A as of June 30, 2025 and for the year then ended have been examined by CliftonLarsonAllen LLP, independent certified public accountants, to the extent set forth in their report, without further review to the date hereof. CliftonLarsonAllen LLP, our independent auditor, 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 also has not performed any procedures relating to this offering document. Also included in Appendix A are the unaudited financial statements of the Authority as of March 31, 2026, and for the nine month period then ended.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward looking statements. A number of important factors affecting the Authority could cause actual results to differ materially from those stated in the forward looking statements. This Official Statement is not to be construed as a contract or agreement between the Authority and the Owners of the Offered Bonds being offered hereby.

The distribution of this Official Statement has been duly authorized by the Authority.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

PART II – SUMMARY OF PROGRAMS

THE SINGLE FAMILY PROGRAM

The information that follows is provided to explain the Authority's current program of making or purchasing single family mortgage loans and servicing those loans and a small number of loans for other political subdivisions of Virginia and for Habitat for Humanity chapters in Virginia. This information should not be considered to be comprehensive or definitive.

General Description of the Single Family Program

Under its current single family program, the Authority purchases and makes single family mortgage loans from net assets of the Commonwealth Mortgage Bonds Resolution, net assets of the General Fund, proceeds from the issuance of Government National Mortgage Association ("Ginnie Mae") securities, proceeds from securitizing loans through the Federal National Mortgage Association ("Fannie Mae"), proceeds from securitizing loans through the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and proceeds from the issuance of Commonwealth Mortgage Bonds, for financing (including the refinancing of any existing single family mortgage loan and any equity in the single family residential housing in excess of any such existing single family mortgage loan) the ownership or rehabilitation, or ownership and rehabilitation, of owner-occupied single family residential housing, including condominium units and leasehold interests in land owned by community land trusts, intended for occupancy by persons and households of low and moderate income, all as described herein. In addition, the Authority currently refinances single family mortgage loans as discussed in "FHA and VA Streamline Refinance Programs" below. This single family program at any time may be modified, changed or waived by the Authority, in whole or in part, and with respect to any particular single family mortgage loan. The Authority services all of the loans it purchases and makes which means the Authority is responsible for complying with all applicable laws and regulations, the requirements of the mortgage insurer or guarantor, if any, and the requirements of Fannie Mae, Freddie Mac, or Ginnie Mae, if applicable. It also means the Authority can implement loan modifications for borrowers whenever it deems them appropriate under the circumstances. These topics are discussed below in "Servicing of Single Family Mortgage Loans" and "Loan Modifications."

In addition, the Authority provides loan servicing, at no charge, for less than 1,100 single family mortgage loans owned by certain Habitat for Humanity chapters located in Virginia. This is a service the Authority provides to support homeownership for very low-income Virginians. The Authority has also serviced loans for other political subdivisions in Virginia and currently services less than 35 such loans, but the Authority may decide to again offer that service in the future. Except for the pledge of some loans as collateral for loans from the Authority to certain Habitat for Humanity chapters, the Authority has no interest in the loans the Authority services for such Habitat for Humanity chapters and such political subdivisions and therefore the value, performance and health of those loans have no impact on the Authority's assets or liabilities. For that reason, the statistics and characteristics of loans serviced by the Authority included in this Official Statement do not include statistics and characteristics of the loans the Authority services for such Habitat for Humanity chapters and such political subdivisions.

Summary of Types of Single Family Mortgage Loans

Below is a summary of each of the types of single family mortgage loans financed and serviced by the Authority under the single family program as more fully described herein.

Type of Single Family Mortgage Loan	Description
First Mortgage Loan	A single family mortgage loan which is secured by a lien in the form of a deed of trust, in accordance with Virginia practice, which is not subordinate to a lien for another mortgage loan. All single family mortgage loans, except Second Mortgage Loans, are First Mortgage Loans. First Mortgage Loans may be Insured Mortgage Loans or Self-Insured Mortgage Loans.
Second Mortgage Loan	A single family mortgage loan which is secured by a lien in the form of a deed of trust, in accordance with Virginia practice, which is subordinate to a lien securing another single family mortgage loan (including a single family mortgage loan made or purchased by the Authority).
Fannie Mae Mortgage Loan	A First Mortgage Loan the Authority has securitized through Fannie Mae.
Freddie Mac Mortgage Loan	A First Mortgage Loan the Authority has securitized through Freddie Mac.
Ginnie Mae Mortgage Loan	A First Mortgage Loan the Authority has securitized through Ginnie Mae.
Insured Mortgage Loan	A single family mortgage loan which is insured or guaranteed by a federal government entity or private mortgage insurance company.
Self-Insured Mortgage Loan	A single family mortgage loan which is not insured or guaranteed by a federal government entity or private mortgage insurance company. All Second Mortgage Loans are Self-Insured Mortgage Loans.

The above descriptions are qualified by the more detailed descriptions herein of the types of single family mortgage loans.

First Mortgage Loans

The Authority finances First Mortgage Loans in amounts not to exceed (i) 97% of the lesser of the single family residential housing's sales price or appraised value or (ii) in the case of single family mortgage loans insured by the Federal Housing Administration ("FHA"), guaranteed by the Veterans Administration or Department of Veterans Affairs ("VA") or guaranteed by the United States Department of Agriculture Rural Development ("RD"), such amounts (which may exceed 100% of the sales price or appraised value for VA or RD loans) as are permitted by FHA, VA or RD. Unless they are modified after they are made as described below in "Loan Modifications," First Mortgage Loans are level payment mortgage loans with original terms of approximately 30 years and bear interest at fixed rates. See "FHA and VA Streamline Refinance Programs" below for a discussion of FHA insured and VA guaranteed First Mortgage Loans that may be financed by the Authority in amounts in excess of the above described limits.

Second Mortgage Loans

In conjunction with First Mortgage Loans to be insured by FHA and in conjunction with Authority financed conventional loans, including Fannie Mae Mortgage Loans and Freddie Mac Mortgage Loans, the Authority finances Second Mortgage Loans with net assets of the Commonwealth Mortgage Bonds Resolution or of the General Fund. Second Mortgage Loans are Self-Insured Mortgage Loans and generally have the same term and bear interest at the same fixed rate as the related First Mortgage Loan. When First Mortgage Loans are modified as described in "Loan Modifications" below, the related Second Mortgage Loans, if any, are usually modified as well.

Community Land Trusts

The Authority has financed, and expects to continue financing, single family mortgage loans secured by interests in land owned by community land trusts when the property and the lien satisfy Fannie Mae's requirements. Community land trusts typically have maximum income limits for homeowners, deliberately limiting who can purchase homes owned by the trust, and they also typically give the trustee the ability to intervene on behalf of individual borrowers to attempt to prevent foreclosure. Such restrictions could lengthen the time it takes for the Authority to complete a foreclosure which could cause the Authority to suffer losses in the event of default.

Mortgage Loan Insurance

For Ginnie Mae Mortgage Loans, the Authority requires mortgage insurance from FHA or a mortgage guarantee from VA or RD, per Ginnie Mae requirements. For Fannie Mae Mortgage Loans and Freddie Mac Mortgage Loans with loan to value ratios above 80%, the Authority requires private mortgage insurance per Fannie Mae and Freddie Mac requirements.

For all other single family mortgage loans the Authority does not require mortgage insurance.

The federal Homeowners Protection Act of 1998 (the "1998 Act") (i) permits qualifying borrowers to cancel private mortgage insurance, thereby ending their obligation to pay the premiums, on the date on which the principal balance of the single family mortgage loan is scheduled to reach 80% of the original value of the residence or on the date on which the principal balance actually reaches 80% of the original value of the residence, all as defined in the 1998 Act, (ii) provides for the automatic termination of private mortgage insurance for qualifying borrowers on the date on which the principal balance of the single family mortgage loan is scheduled to reach 78% of the original value of the residence, all as defined in the 1998 Act, (iii) provides for the automatic termination of private mortgage insurance for qualifying borrowers on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan, all as defined in the 1998 Act, and (iv) requires the Authority to provide certain disclosures and notices regarding the above provisions of the 1998 Act.

The Authority provides the rights described in the preceding paragraph to borrowers whose single family mortgage loans closed prior to the effective date of the 1998 Act. The Authority has also previously provided the same rights to borrowers of FHA insured mortgage loans, however, in the case of new mortgage loans assigned an FHA case number on or after June 3, 2013, the mortgage insurance premium for FHA mortgage insurance must continue to be collected until the earlier of the end of the mortgage term or (i) 11 years in the case of a mortgage loan having an original loan-to-value ratio not greater than 90%, or (ii) 30 years in the case of a mortgage loan having an original loan-to-value ratio of greater than 90%, and as a result, the Authority will not be permitting the cancellation of FHA mortgage insurance prior to the termination of the applicable period for collection of the premium.

The Authority also permits the cancellation of mortgage insurance for loans that are not FHA insured if the balance of the single family mortgage loans is equal to or less than 80%, or such lesser percentage determined by the Authority, of the current property value, subject to the satisfaction of such criteria, requirements and conditions as the Authority may impose for such cancellation.

Pursuant to the Authority's regulations, the Authority may impose minimum ratings on the issuers of private mortgage insurance policies; however, no assurance can be given whether the Authority will make such modifications or commence requiring such ratings.

Financing of Single Family Mortgage Loans

The Authority finances First Mortgage Loans with net assets of the Commonwealth Mortgage Bonds Resolution or of the General Fund, the proceeds of Commonwealth Mortgage Bonds, the issuance of Ginnie Mae securities or by securitizing them through Fannie Mae or Freddie Mac. The Authority also finances Second Mortgage Loans with net assets of the Commonwealth Mortgage Bonds Resolution or of the General Fund.

Ginnie Mae Financing

The Authority issues Ginnie Mae securities backed by First Mortgage Loans originated or purchased by the Authority and insured by FHA or guaranteed by VA or RD. Such securities are held under the Commonwealth Mortgage Bonds Resolution or in the General Fund or are sold at market prices in order to provide funds for the origination of single family mortgage loans or for other programs and operations of the Authority. If held under the Commonwealth Mortgage Bonds Resolution, the securities are pledged as security under such resolution.

Each Ginnie Mae security represents an undivided ownership interest in a pool of single family mortgage loans. The Authority does not show the single family mortgage loans represented by Ginnie Mae securities as assets in its financial statements. The Authority services all Ginnie Mae Mortgage Loans, including those in securities sold to third parties, and pays the amount calculated to be due for each security regardless of when or if any particular borrower has made the loan payment to the Authority.

For certain aggregate information concerning single family mortgage loans securitized by the issuance of Ginnie Mae securities, including delinquent payments and foreclosures, see "Ginnie Mae Mortgage Loans Sold to Third Parties" in Appendix B.

No assurance can be given as to whether the Authority will continue the financing of single family mortgage loans through the issuance of Ginnie Mae securities or, if continued, as to the amount of such financings.

Fannie Mae Financing

The Authority finances Fannie Mae Mortgage Loans by securitizing them through Fannie Mae under an agreement pursuant to Fannie Mae's HFA Preferred program (the "Fannie Mae HFA Preferred Agreement") which Fannie Mae makes available to housing finance agencies. All such Fannie Mae Mortgage Loans ("Fannie Mae HFA Preferred Mortgage Loans") must satisfy Fannie Mae's requirements. The Fannie Mae HFA Preferred Agreement has no repurchase obligation for loans that become delinquent.

Prior to 2021, the Authority financed some First Mortgage Loans by securitizing them through Fannie Mae's HFA Preferred Risk Sharing program. Such Fannie Mae Mortgage Loans ("Fannie Mae HFA Preferred Risk Share Mortgage Loans") are subject to a repurchase agreement in the event the mortgage loan becomes delinquent within certain parameters during a set period of time (the "Repurchase Obligation Period"). For certain aggregate information concerning Fannie Mae HFA Preferred Risk Share Mortgage Loans still in a Repurchase Obligation Period, including delinquent payments and foreclosures, see "Fannie Mae Mortgage Loans Still in a Repurchase Obligation Period" in Appendix B.

Under certain circumstances, Fannie Mae may require the Authority to repurchase certain Fannie Mae Mortgage Loans if the Authority is in breach of any covenant, representation, or warranty by the Authority with respect to such loans. The Authority retains the servicing rights and services all Fannie Mae Mortgage Loans, including those in securities sold to third parties, and pays the amount calculated to be due for each security regardless of when or if any particular borrower has made the loan payment to the Authority.

For Fannie Mae HFA Preferred Mortgage Loans and Fannie Mae HFA Preferred Risk Share Mortgage Loans no longer in a Repurchase Obligation Period the Authority must advance monthly payments of principal and interest until Fannie Mae purchases the loans out of their respective Fannie Mae security; however, Fannie Mae will limit the Authority's obligation to make such payment to four months.

No assurance can be given as to whether the Authority will continue the financing of Fannie Mae Mortgage Loans or, if continued, as to the amount of such financings.

The Authority has not sold any Fannie Mae Mortgage Loans to Fannie Mae under the program Fannie Mae calls its whole loan program, and does not expect to do so.

Freddie Mac Financing

The Authority finances Freddie Mac Mortgage Loans by securitizing them through Freddie Mac under an agreement pursuant to Freddie Mac's HFA Advantage program (the "Freddie Mac HFA Advantage Agreement") which Freddie Mac makes available to housing finance agencies. All Freddie Mac Mortgage Loans must satisfy Freddie Mac's requirements. The Freddie Mac HFA Advantage Agreement has no repurchase obligation for loans that become delinquent.

No assurance can be given as to whether the Authority will continue the financing of Freddie Mac Mortgage Loans or, if continued, as to the amount of such financings. Under certain circumstances, Freddie Mac may require the Authority to repurchase

certain Freddie Mac Mortgage Loans if the Authority is in breach of any covenant, representation, or warranty by the Authority with respect to such loans.

FHA and VA Streamline Refinance Programs

The Authority finances FHA insured First Mortgage Loans that refinance existing Authority FHA insured First Mortgage Loans pursuant to FHA's guidelines, which may be changed from time to time (each such refinancing FHA insured First Mortgage Loan is referred to herein as a "FHA Streamline Refinance Loan"). The Authority also finances VA guaranteed First Mortgage Loans that refinance existing Authority VA guaranteed First Mortgage Loans pursuant to VA guidelines, which may be changed from time to time (each such refinancing VA guaranteed First Mortgage Loan is referred to herein as a "VA Streamline Refinance Loan").

Single Family Mortgage Loan Origination Procedures and Underwriting Criteria

Except as noted below, single family mortgage loans are originated for the Authority by commercial banks, savings and loan associations, private mortgage bankers and local redevelopment and housing authorities approved by the Authority to act as its originating lenders ("Originating Lenders"). Pursuant to purchase agreements ("Purchase Agreements"), the Originating Lenders originate and close the single family mortgage loans in their own names and with their own funds and the Authority purchases such single family mortgage loans upon compliance with the terms and conditions of the Purchase Agreements. The Authority quotes prices daily that the Authority will pay to purchase First Mortgage Loans and Second Mortgage Loans from Originating Lenders based on the loan product, lock period, and interest rates offered each day. The Authority limits the compensation of Originating Lenders.

The Authority also utilizes its own employees to receive applications for single family mortgage loans ("Direct Origination Loans") in certain areas of Virginia in which the Authority desires to increase lending activity under its single family program. In the case of Direct Origination Loans, the Authority processes and originates the single family mortgage loans and retains all fees which would otherwise be available to Originating Lenders with respect to such mortgage loans. Direct Origination Loans are committed and closed in the name of the Authority and funded by the Authority at loan closing upon compliance with all terms and conditions of the Authority's mortgage loan approval.

Under the origination system, a prospective mortgagor submits a single family mortgage loan application to an Originating Lender or the Authority. In the case of a single family mortgage loan to finance the purchase of single family residential housing, the application is submitted after the prospective mortgagor has contracted for the purchase of the residence. If a preliminary review indicates that the prospective mortgagor and single family mortgage loan will qualify under the Authority's underwriting criteria and, when applicable, the Code, the Authority allows the originating lender to lock the interest rate on the loan (i.e., the Authority commits to purchase the loan at a quoted price based on the loan product, lock period and interest rate). Extensions may be granted by the Authority for which the Authority may charge additional fees.

The Authority establishes maximum sales price limits, maximum income limits, and maximum loan size limits, which vary depending principally upon location within Virginia, in accordance with its mission, policies and the Act. Certain loans do not have some of these limits or have different limits. When the Authority finances single family mortgage loans without any Tax-Exempt Bond proceeds it conforms to the maximum loan limits set by Fannie Mae, Freddie Mac, FHA, VA or RD, as applicable, but it does not impose a sales price limit. Whenever the Authority finances a single family mortgage loan, in whole or in part, with proceeds from Tax-Exempt Bonds, the Authority imposes the income and sales price limits required by the Code.

All Originating Lenders are required to enter into Purchase Agreements setting forth the conditions and requirements for origination and purchase of single family mortgage loans. The Originating Lenders must process, settle and disburse the single family mortgage loans in accordance with the underwriting standards and administrative procedures in such Purchase Agreements. For each such single family mortgage loan, the Originating Lender is allowed a maximum of 2.5% compensation which will include a Service Release Premium of 1.5% from the Authority, and may also include any combination of premium pricing paid by the Authority and discount points paid by the mortgagor. In the case of Direct Origination Loans, the Authority charges and retains any origination fee and discount points paid by the mortgagor, and the service release fee is not applicable.

The Authority has delegated to certain of its Originating Lenders the loan underwriting functions described below. Loans underwritten by the Originating Lenders pursuant to such delegation are referred to herein as "Delegated Loans." Between 80% and 90% of the single family mortgage loans being originated are Delegated Loans. In the case of Delegated Loans, the Authority will, subsequent to the closing of the single family mortgage loans, review the loan applications and documentation and determine compliance of the mortgage loans with the Code (if applicable) and, on a test basis, with the Authority's underwriting requirements and criteria. For loans other than Delegated Loans, applications for single family mortgage loans are submitted to the Authority for review and approval prior to loan approval.

The Authority may require the Originating Lender to repurchase or retain any single family mortgage loans which fail to meet certain standards, including loans which are not subject to mortgage insurance or guaranty (if required) in accordance with the requirements of the Authority, which fail to comply with the provisions of the Code (if applicable), which do not conform with the Authority's sales price and income limits, which become two or more months delinquent within the first four payments due, which are not properly or timely documented as required by the Authority, which were originated based upon any misrepresentation

known to the Originating Lender, or (in the case of Fannie Mae Mortgage Loans) which do not comply with Fannie Mae's requirements due to gross negligence or fraud.

The single family mortgage loans are underwritten based on income eligibility, credit and other criteria relating to the proposed mortgagor's ability to meet payments and compliance with the Act and the Authority's regulations. The Authority requires the applicants to provide usual and customary documentation in support of their applications. The Originating Lender and, in the case of loans other than Delegated Loans, the Authority's staff review the loan application, credit report, verifications of employment, bank deposits, the appraisal and other characteristics of the individual dwelling unit proposed to be financed as security for such loan. In the case of single family mortgage loans to be insured by FHA or guaranteed by VA or RD, the application and documentation are reviewed for compliance with the credit and property standards of FHA, VA or RD as applicable; however, in the case of FHA Streamline Refinance Loans and VA Streamline Refinance Loans, certain underwriting criteria and documentation normally applicable to FHA insured and VA guaranteed First Mortgage Loans are not required by FHA or VA, as applicable. Second Mortgage Loans are processed and underwritten so as to conform to all applicable requirements of the insurer or guarantor of the related First Mortgage Loan, including credit and property standards, as well as certain higher standards set by the Authority from time to time. Single family mortgage loans to be insured by private mortgage insurance are underwritten to comply with the standards of the private mortgage insurance companies. Fannie Mae Mortgage Loans are required to be underwritten in accordance with Fannie Mae's requirements. Freddie Mac Mortgage Loans are required to be underwritten in accordance with Freddie Mac's requirements.

When an application is approved, a mortgage loan approval is issued to the applicant. Upon compliance with the terms and conditions of the mortgage loan approval, the single family mortgage loan is closed. The mortgagor is responsible for the payment of the closing costs. The Originating Lender disburses the proceeds of the single family mortgage loan at closing, and upon compliance by the Originating Lender with the terms and conditions of the Purchase Agreement, the Authority purchases the single family mortgage loan from the Originating Lender.

Servicing of Single Family Mortgage Loans

Each single family mortgage loan is serviced by the Authority. Ginnie Mae Mortgage Loans, Fannie Mae Mortgage Loans, and Freddie Mac Mortgage Loans are also subject to additional servicing requirements imposed by Ginnie Mae, Fannie Mae, and Freddie Mac, respectively, although for Ginnie Mae the requirement at present is to comply with the servicing requirements of the federal government entity providing the mortgage insurance or guarantee. Single family mortgage loans which are insured or guaranteed by third parties are required to be serviced in accordance with the applicable insurer's or guarantor's requirements. The Authority has policies and procedures in place intended to keep its servicing in compliance with all such requirements.

The Authority collects monthly payments of principal and interest and escrows. All such funds are deposited in segregated trust or custodial accounts or other accounts approved by the Authority in state or national banks or savings and loan associations, the deposits in which are insured by the Federal Deposit Insurance Corporation up to their limits which are generally $250,000 per mortgagor. From the funds so deposited the Authority pays to the proper parties, when and if due, mortgage insurance premiums, real estate taxes and special assessments and insurance premiums. The Authority remits the principal and interest to the applicable resolution, to the General Fund, or in accordance with agreements with Ginnie Mae, Fannie Mae, or Freddie Mac, as applicable. The hazard insurance policy which is required by the Authority to be maintained on the mortgaged premises insures the Authority as mortgagee to the full extent of its interest in the mortgaged premises by requiring the coverage to be at least equal to the replacement cost value. If the mortgaged premises is located in a Special Flood Hazard Area designated by the Federal Emergency Management Agency the Authority requires that the flood insurance coverage meets the minimum of the outstanding loan balance, the mortgaged premises' replacement cost, or the maximum National Flood Insurance Program limit. The borrower in his or her discretion may have additional insurance beyond what the Authority requires, and if requested by the borrower, the Authority will escrow those additional insurance premiums and make payments to the proper parties. The Authority escrowing for the premiums of any particular insurance does not guarantee that such insurance will always be there because circumstances beyond the Authority's control could lead the insurer to refuse to renew the policy or impose high premium increases.

The Authority's single family mortgage loans are assumable only if permitted by the Authority. An exception is provided for loans (such as mortgage loans insured by FHA or guaranteed by VA or RD) that are assumable in accordance with their respective guidelines or applicable law.

In the case of default under any single family mortgage loan that is not cured, the Authority takes actions in an attempt to obtain the full benefits of any mortgage insurance or guarantee. If foreclosure proceedings are instituted, the Authority takes steps in an attempt to manage and protect the mortgaged premises under foreclosure, including maintenance of insurance on the premises, management and supervision of repairs and maintenance of the premises. In lieu of foreclosure, the Authority may, if deemed to be in its best interests and if acceptable to the mortgage insurer or guarantor (if any), accept a deed of the property from the mortgagor or approve a sale of the property that will not provide sufficient proceeds to pay the mortgage loan in full, and in such cases the lien of the deed of trust securing the mortgage loan will be released.

Most of the single family mortgage loans the Authority services are pledged to Ginnie Mae, Fannie Mae, Freddie Mac, Commonwealth Mortgage Bonds, or Homeownership Mortgage Bonds, for all of which the Authority has substantially similar obligations to pay investors principal and interest when due. If the principal and interest payments received on the applicable single family mortgage loans are not sufficient, the Authority must use other funds available to make the payments to the investors. Such

other funds may include the Authority's cash and investments, proceeds from mortgage loans that are not pledged, advances from the Bank of America Agreement or the Wells Fargo Agreement, both as defined herein, proceeds from the issuance of additional bonds or certificates, or, in certain cases, cash provided by mortgage insurers, Ginnie Mae, Fannie Mae, or Freddie Mac.

See Appendix B for more information on single family mortgage loans.

Loan Modifications

The Authority manages loan modifications and loss mitigation programs pursuant to FHA, RD, VA, Fannie Mae and Freddie Mac guidelines and requirements, as applicable, which may change from time to time. In the case of delinquencies of Self-Insured Mortgage Loans, the Authority has more flexibility in fashioning loan modifications. The Authority typically modifies Second Mortgage Loans when it modifies First Mortgage Loans on the same property for the same borrower.

Declining Markets; Risk of Loss

The Authority finances single family residential housing throughout Virginia with mortgage loans secured by liens on the residences financed. Declines in home values can result in declines in the value of the collateral for the Authority's single family mortgage loans. Home prices in Virginia have suffered significant declines during past economic recessions and depressions and they are likely to do so again during future significant economic problems, including those caused by pandemics and high rates of inflation. The Federal Reserve is attempting to use its target federal funds rate to fight inflation without stalling the economy with carefully timed rate cuts. The Federal Reserve's strategy may or may not work. See "Business Disruption Risk" in "Part III - General Information About the Authority" for more information on the negative impact of adverse external events on the Authority's operations. Recessions, depressions, and especially the economic consequences of laws and orders issued by governments to control the spread of pandemics, are not easily understood or predicted, but their consequences are often increases in delinquencies, defaults and losses on residential mortgage loans generally, particularly with respect to residential mortgage loans whose aggregate loan amounts (including any subordinate liens) are close to or greater than the related property values. Upon a default on a single family mortgage loan, a decline in property value will affect the Authority's risk of loss depending upon the type of mortgage loan. In the case of an FHA insured mortgage loan, any loss to the Authority is usually limited to approximately 2-3% of the principal balance of the mortgage loan, regardless of any decline in property value. However, the Authority may suffer greater losses on FHA insured single family mortgage loans if the Authority is required by FHA to indemnify FHA for losses on FHA insured single family mortgage loans because of failure by the Authority to comply with FHA requirements relating to the origination or servicing of such FHA insured single family mortgage loans. From time to time, the Authority has reimbursed FHA for losses on FHA insured single family mortgage loans because of failure by the Authority to comply with FHA servicing requirements. The total of such payments, however, has been insignificant given the number and outstanding balance of FHA insured single family mortgage loans serviced by the Authority. In the case of a mortgage loan guaranteed by VA or RD or insured by a private mortgage insurance company, the Authority experiences minimal loss due to any such decline in property value, except to the extent that the amount owed on such mortgage loan exceeds the value of the property by an amount greater than the maximum insurance or guarantee amount (generally 20-25% of the original loan amount). FHA, VA and RD do not pay all of the Authority's claims but the amount rejected is not material. In the case of a Self-Insured Mortgage Loan that is a Second Mortgage Loan, the Authority will usually suffer a full loss of the amount owed on such Second Mortgage Loan. In the case of any other Self-Insured Mortgage Loan, the Authority will suffer a loss to the extent that the value of the property is less than the amount owed on such Loan and, as a result, any decline in property value may increase the risk of loss on such Self-Insured Mortgage Loan.

The Authority conducts quarterly analyses of the risk of losses on single family mortgage loans (or unsecured notes related to the disposition of such loans) in the single family program to be included in the Authority's allowance for loan loss. As of March 31, 2026, such amount was calculated as follows (in millions, rounded to the nearest million):

Type of Single Family Mortgage Loans or Notes	Amount Included in the Authority's Allowance for Loan Loss (in millions)	Amount Included, as a Percentage of Principal Balance of Such Mortgage Loans or Notes
Self-Insured and private mortgage insurance, including those securitized through Fannie Mae and Freddie Mac	$32	0.90%
Insured or guaranteed by agencies of the federal government (e.g., FHA, VA and RD) including those securitized through Ginnie Mae	34	0.50
Second Lien Loans	13	6.80
	$79	

See Appendix A for the Authority's total allowance for loan loss.

In response to increased delinquencies and losses with respect to single family mortgage loans, many mortgage loan originators have implemented more conservative underwriting criteria for loans, particularly in the subprime, Alt-A and other

nonprime sectors. This may result in reduced availability of financing alternatives for mortgagors seeking to refinance their single family mortgage loans. The reduced availability of refinancing options for a mortgagor may result in higher rates of delinquencies, defaults and losses on the single family mortgage loans, particularly mortgagors with adjustable rate mortgage loans or interest only mortgage loans that experience significant increases in their monthly payments following the adjustment date or the end of the interest only period, respectively.

The general market conditions discussed above may affect the performance of the Authority's single family mortgage loans and may adversely affect the Authority's financial condition.

See "Geographic Concentration in Virginia" in "Certain Programmatic Considerations" for a discussion of the risk from the concentration of single family mortgage loans in Virginia.

See "Changes in Federal or State Law and Programs" in "Certain Programmatic Considerations" for a discussion of the risk to the Authority's single family mortgage loans as a result of changes in federal or state law or programs.

Data on Single Family Mortgage Loans

Data on Mortgage Loans pledged to the Commonwealth Mortgage Bonds Resolution and other single family mortgage loans are in Appendix B.

Future Funding of the Single Family Program

The Authority expects to continue to finance the majority of its single family mortgage loans through the issuance of Commonwealth Mortgage Bonds, some of which will be Taxable Bonds and some of which will be Tax-Exempt Non-AMT Bonds, and Ginnie Mae securities and securitizing through Fannie Mae and Freddie Mac.

Other Support for Single Family Borrowers Currently Offered

The Authority has implemented a grant program called the Down Payment Assistance Grant that provides grants to be used for down payments to first time homebuyers (or any homebuyer when purchasing in a Targeted Area, as defined in Appendix D) who earn not more than 80% of the Authority's current income limits and are getting certain First Mortgage Loans from the Authority. This grant program is a REACH Virginia program. See "General Fund and Other Net Assets" in "Part III – General Information About the Authority" for a description of the Authority's financing of REACH Virginia. At this time, the Authority has neither designated a date when this grant program will end nor set a maximum amount of funding for it.

The Authority has implemented a grant program that provides grants to be used to pay closing costs, discount points, pre-paid items and the upfront fees charged by RD and VA to certain borrowers obtaining mortgage loans that will be guaranteed by VA or RD. Loans guaranteed by VA and RD may be for up to 100% of the purchase price so this grant could possibly allow a borrower to buy a home with very little or no out of pocket expenses. This grant program is a REACH Virginia program. See "General Fund and Other Net Assets" in "Part III – General Information About the Authority" for a description of the Authority's financing of REACH Virginia. At this time, the Authority has neither designated a date when this grant program will end nor set a maximum amount of funding for it.

The Authority may from time to time implement a pilot program for a small number of borrowers or community land trusts that meet certain criteria for a limited time to evaluate the effectiveness of the program before offering the program to a larger number of borrowers or community land trusts.

THE MULTI-FAMILY PROGRAM

The information that follows is provided to explain the Authority's program of making or purchasing multi-family mortgage loans and financing Authority owned multi-family developments. The Authority has made or purchased mortgage loans on multi-family developments with proceeds of bonds issued pursuant to its bond resolutions and with other moneys of the Authority. This information does not purport to be comprehensive or definitive, and the limits, amounts of financial reserves, rules and criteria described are not required by any bond resolutions and are subject to modification, change or waiver by the Authority, in whole or in part, at any time, and with respect to any particular multi-family development proposal or any particular type of multi-family development (such as multi-family developments containing a small number of units intended for occupancy by persons with disabilities). The Act refers to individuals and entities who create multi-family developments as housing sponsors, but in common business language such individuals and entities are referred to as developers, and that is the term used in this Official Statement. Most mortgage loans originated under the Authority's multi-family program are made to a borrower, often a single asset entity, that is related to but different from the developer, and those are referred to herein as multi-family borrowers.

New mortgage loans to be originated under the Authority's multi-family program are expected to be financed primarily with the proceeds of Rental Housing Bonds and net assets pledged to the Rental Housing Bonds Resolution and pursuant to the program described below. The Authority also expects to utilize other moneys of the Authority to finance other mortgage loans under its multi-family program as set forth in "General Fund and Other Net Assets" in "Part III - General Information About the Authority." The underwriting, terms and requirements for multi-family mortgage loans financed by other moneys of the Authority are

substantially the same as they are for mortgage loans financed by Rental Housing Bonds, if and to the extent applicable as described below.

The Authority was designated as a "qualified HFA" under the Risk-Sharing Act (as defined in Appendix F) and entered into a Risk-Sharing Agreement with the U.S. Department of Housing and Urban Development ("HUD") on March 23, 2015 (see "FHA Risk-Sharing Insurance Program" in Appendix F for a description of the FHA Risk-Sharing Insurance Program (the "Risk-Sharing Program")). In conjunction with the Risk-Sharing Program the Authority elected to participate in a program offered by the Federal Financing Bank (the "FFB") for the financing of mortgage loans insured pursuant to the Risk-Sharing Program. The Authority has financed eight mortgage loans with such FFB financing but it can give no assurance it will finance any more. The FFB is a government corporation, under the general supervision and direction of the Secretary of the Treasury, created by Congress with statutory authority to purchase (i.e., to fund) any obligation that is fully guaranteed by another federal agency. To the extent that FFB financing is utilized to finance particular mortgage loans, such mortgage loans would not be available to be financed under the Rental Housing Bonds Resolution (other than on a temporary basis prior to such FFB financing).

General

Substantially all of the multi-family mortgage loans currently financed by the Authority are secured by first liens, and the Authority expects that most multi-family mortgage loans hereafter financed by the Authority will be secured by first liens. Under the Act, the Authority may finance a multi-family mortgage loan secured by a first lien on a leasehold estate if the term of the lease is at least twice the term of the multi-family mortgage loan. Since 2019, the Authority has increasingly financed multi-family mortgage loans secured by leasehold estates. Having a lien on a leasehold estate poses more risk than taking a lien on a fee simple estate primarily because the leasehold estate could be extinguished because of a multi-family borrower default, or some other reason, and because the value and marketability of the leasehold estate can be difficult to estimate and is reasonably expected to decline as the end of the lease term approaches. In addition, the Authority has financed and expects to continue to finance some multi-family developments, including those secured by a first lien on a leasehold estate, which are subject to maximum tenant income limits imposed by the jurisdiction in which the development is located or by private entities making substantial contributions to the development. The Authority considers such maximum tenant income limits during its underwriting of the loan. It is increasingly common for such parties to ask that such maximum tenant income limits remain in place even after the Authority forecloses on its first lien and the Authority often agrees to allow it, subject to the Authority determining the risk is acceptable and, in some instances, subject to the requirement that the limits automatically change to higher or more flexible limits upon foreclosure. Allowing such maximum tenant income limits to remain in place post-foreclosure could lower the value of the collateral by limiting the development's income which could adversely impact the Authority's ability to recover its losses in the event of borrower default. Some of the Authority's first liens are on portions of buildings that are not otherwise subject to the same lien, such as one or more condominium units where there are other condominium units. The potential difficulty of managing a portion of a building could negatively impact the market value of such property when or after the Authority forecloses.

Generally, the multi-family mortgage loans bear interest at fixed interest rates (although the multi-family mortgage loan may bear interest at a variable rate during the construction period, if any) and are fully amortizing over the term of the multi-family mortgage loan, although the Authority will for certain large new construction developments allow one year of interest only payments commencing at the conversion of the construction loan to permanent financing but in such cases the loan will then fully amortize thereafter to maturity, and the Authority has occasionally structured the mortgage loan (and may do so in the future) to have a balloon principal payment due on the maturity date of the mortgage loan if the amount of such balloon principal payment is expected to be less than the projected value of the development on the maturity date of such mortgage loan.

Developers sometimes ask the Authority to issue Tax-Exempt Bonds with very short maturities, primarily to meet requirements of the federal low-income housing tax credit program. The Authority's standard policy is to accommodate this request if the developer either gives the Authority an irrevocable letter of credit for the full amount of such short-term bonds, or can meet the following standards: (i) the proceeds of the short-term bonds are only to be used to meet the federal low-income housing tax credit program's 50% test, (ii) the developer must give the Authority an irrevocable letter of credit for at least 30% of the amount of such short-term bonds, and (iii) the developer must pay the Authority a fee of 2% of the amount of the short-term bonds not covered by the irrevocable letter of credit, which is in addition to the Authority's other loan fees. The Authority has, and may again in the future, consider other forms of security.

Federal Programs and Requirements

Neither the Act nor the Rental Housing Bonds Resolution requires that multi-family mortgage loans be insured or guaranteed by the federal government or private mortgage insurance companies or that multi-family developments financed under the multi-family program be entitled to or eligible for federal assistance (see Appendix F for a description of certain federal programs under which the Authority has previously financed, and may finance in the future, multi-family developments). The Authority has financed, and expects to finance in the future, multi-family developments assisted under the Low-Income Housing Tax Credit Program described in Appendix F. The Authority does not expect to finance substantial principal amounts of new multi-family developments assisted under the other federal programs described in Appendix F; however, the Authority has refinanced, and expects to refinance in the future, mortgage loans (of the Authority or other governmental entities) which are then financing such multi-family developments. The Authority has financed, and may finance in the future, increases in the outstanding principal amounts of the Authority's existing mortgage loans on multi-family developments that are assisted under such federal programs. In addition,

the Authority has financed, and may finance in the future, mortgage loans on multi-family developments which are not currently financed by the Authority and which, prior to financing by the Authority, were assisted under the Section 236 Interest Reduction Payments Program (the "Section 236 Program") or the Section 8 Program described in Appendix F and, after such financing, may receive assistance under the terms of the agreements related to the applicable program and be subject to the rental and occupancy requirements under such program.

The Housing Assistance Payments Contracts ("Payments Contracts") providing the federal subsidies for the multi-family developments under the Section 8 Program described in Appendix F have original terms of approximately 30 or 40 years and have expired. Under current federal policy, upon such expiration, the mortgagor and a Section 8 contract administrator designated by HUD may, with the approval of HUD, enter into new Payments Contracts with terms not exceeding 20 years, but the annual funding of the subsidy under such new Payments Contracts ("Renewal Contracts") will be subject to annual appropriations by the federal government. The appropriations for Renewal Contracts may be adversely affected by changes in federal spending as described in Appendix F, and no assurance can be given as to the levels of annual appropriations that will be available for funding Renewal Contracts in the future. If the mortgagor enters into a Renewal Contract, the Authority may provide a new multi-family mortgage loan to finance the development, including the costs of any rehabilitation. Because the continuation of the subsidy under such Renewal Contract is subject to annual federal appropriations, the Authority underwrites such new multi-family mortgage loans using the lesser of the contract rents under the Renewal Contract or the estimated market rents for the multi-family development, unless the development financing is part of either a RD program or a public housing transformation initiative such as Section 18 Demolition/Disposition, Rental Assistance Demonstration, Streamlined Voluntary Conversions for Projects of Small Public Housing Agencies, and Mixed-Finance Structure, in which case the Authority underwrites the mortgage loan using the full contract rents under the Renewal Contract. In addition, for certain developments that are neither public housing nor RD with rental assistance subject to annual federal appropriation, the Authority may, in its sole discretion, underwrite the financing using something in between the market rents and the contract rents depending on current market conditions. The Authority has financed, and expects to finance in the future, such new multi-family mortgage loans. In addition, for certain of the Section 8 assisted multi-family developments, the Authority has provided, prior to the expiration of the original Payments Contract, additional mortgage loan financing that will mature after the scheduled expiration of such original Payments Contract, and in certain cases the monthly payments of principal and interest on such additional mortgage loan financing may not commence until the maturity date of the original mortgage loan or the expiration of the original Payments Contract. In underwriting such additional multi-family mortgage loan financing, the Authority uses the lesser of the contract rents under the original Payments Contract or the estimated market rents for the multi-family development for the period that the additional mortgage loan will be outstanding after the expiration of the original Payments Contract. The Authority may provide, and expects to provide in the future, such additional multi-family mortgage loan financing for other multi-family developments.

The agreements that provide monthly payments of interest to the Authority under the Section 236 Program, as described in Appendix F, have original terms of 40 years that expire on or about the maturity dates of the mortgage loans. All of the Authority's multi-family mortgage loans financing multi-family developments assisted under the Section 236 Program have been paid in full.

The Authority has also financed multi-family developments which, at the time of such financing were being financed by a 1% interest rate mortgage loan by Rural Housing Service ("RHS") in the U.S. Department of Agriculture under its Section 515 program and were receiving rental subsidies under its Section 521 program similar to subsidies under the Section 8 program. Upon such financing by the Authority, the lien securing the RHS mortgage loan was subordinated to the lien securing the Authority multi-family mortgage loan, and the rental subsidies were continued. The Authority underwrites its new mortgage loans for these multi-family developments using the contract rents under the RHS 521 program. An example of the risk associated with subsidies subject to annual appropriations from the federal government is the case of four such developments that had the renewal of their subsidy contracts delayed as a result of the sequestration by the federal government of funding in its 2013 fiscal year. Although at this time RHS has not failed to renew a Section 521 subsidy contract for a multi-family development financed by the Authority, no assurance can be given as to whether subsidy funding for multi-family developments assisted by RHS will continue, in whole or in part, in future fiscal years or as to the impact on the Authority of any subsidy reductions or terminations, including possible defaults and foreclosures of the Authority's multi-family mortgage loans on such multi-family developments.

The Authority has financed and may in the future finance developments that are in HUD's Rental Assistance Demonstration Program (the "RAD Program"). Under the RAD Program, certain restrictive covenants which restrict the property's uses and tenant incomes, and therefore which negatively affect the property's market value, are superior to the lien of the deed of trust securing the Authority's loan so that those restrictive covenants survive foreclosure. The RAD Program provides subsidies to developments which are subject to annual appropriations from the federal government. When the Authority finances a development in the RAD Program it could end up with a loan secured by a lien on a development that receives no federal subsidies and is subject to restrictive covenants limiting the property's uses and tenant incomes which would increase the Authority's risk of loss with regard to that loan. The Authority's policy for lending to developments in the RAD Program is a risk analysis and public policy evaluation on a case by case basis. See "General Fund and Other Net Assets" in "Part III – General Information About the Authority" for a discussion of the Authority's special allocation of resources to support certain programs in Virginia, including the RAD Program.

See Appendix F for further discussion of the requirements under the Section 8 Program, Section 236 Program and Low-Income Housing Tax Credit Program, including the income limits for tenants occupying the units in the developments assisted under those Programs.

Requirements Applicable to Developments Financed by Tax-Exempt AMT Bonds and Tax-Exempt Non-AMT Bonds

The following requirements apply to multi-family developments which are to be or which have been financed, in whole or in part, with proceeds of Tax-Exempt AMT Bonds or Tax-Exempt Non-AMT Bonds.

Under the Code, multi-family developments financed by Tax-Exempt AMT Bonds or Tax-Exempt Non-AMT Bonds must meet a requirement that either (i) at least 20% of the units in such multi-family development be occupied during the Qualified Project Period (as defined below) by individuals whose incomes are 50% or less of area median gross income, as adjusted for family size, or (ii) at least 40% of the units in such multi-family development be occupied during the Qualified Project Period (as defined below) by individuals whose incomes are 60% or less of area median gross income, as adjusted for family size. (The foregoing requirement is hereinafter referred to as the "20/50 or 40/60 Requirement," as applicable.)

The term "Qualified Project Period" for the Tax-Exempt AMT Bonds and Tax-Exempt Non-AMT Bonds is defined in the Code such that its ending date is the latest of (i) the date which is at least 15 years after the date on which 50% of the units in such multi-family development are first occupied, (ii) the first day on which no Tax-Exempt Bond issued with respect to such multi-family development is outstanding, or (iii) the date on which any assistance provided with respect to such multi-family development under Section 8 terminates.

In addition to the 20/50 or 40/60 Requirement, all of each such multi-family development's units must remain rental property throughout the applicable Qualified Project Period.

Requirements Applicable to Developments Financed by Transitioned 1954 Code Tax-Exempt Non-AMT Bonds

The following requirements apply to multi-family developments to be financed or which have been financed, in whole or in part, with proceeds of certain Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued to refund certain bonds described below. The Authority may also issue Transitioned 1954 Code Tax-Exempt Non-AMT Bonds to finance multi-family developments owned by the Authority, other governmental entities or charitable organizations exempt from federal taxation under Section 501(c)(3) of the Code, and to finance Authority owned property (including its offices).

Multi-family developments financed by certain Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued to refund bonds which were either issued on or after January 1, 1981, and before August 16, 1986 or issued pursuant to a transition rule in the Tax Reform Act of 1986 are subject to certain restrictions as to the use and occupancy of units therein under the Code and the predecessor provisions of the Internal Revenue Code of 1954, as amended (the "1954 Code"). Such multi-family developments consisting of residential rental property, as such term is defined in Section 103(b)(4) of the 1954 Code, are subject to the requirement that (i) at least 20% of the units in each multi-family development financed by such bonds (15% if the development is located in certain low income or economically distressed areas) be occupied during the "Qualified Project Period" (defined below) by individuals whose incomes do not exceed 80% of the median income for the area (the "20/80 Requirement"), (ii) all of the units of each multi-family development be rented or available for rental on a continuous basis for the longer of the remaining term of the applicable series of such bonds or the Qualified Project Period for the multi-family development, and (iii) no building in any multi-family development contains less than 5 units if one of such units is occupied by an owner of the units. The 20/80 Requirement does not apply to multi-family developments financed by Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued to refund bonds issued prior to January 1, 1981.

The term "Qualified Project Period" means (i) for the above described Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued to refund bonds issued prior to September 4, 1982, a period of 20 years commencing on the date of initial occupancy of the multi-family development or the date of issuance of such bonds, whichever is later, and (ii) for the above described Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued to refund bonds issued on or after September 4, 1982, a period commencing upon occupancy of 10% of the units in the multi-family development and ending on the later of (i) the date which is 10 years after occupancy of 50% of the units in the multi-family development, (ii) the date which is subsequent to initial occupancy of any unit in the multi-family development by a period of time equal to one-half of the sum of the period the refunded bonds were outstanding and the longest term of the Transitioned 1954 Code Tax-Exempt Non-AMT Bonds or (iii) the date upon which any Section 8 assistance for the multi-family development terminates.

Multi-family developments that are financed by Transitioned 1954 Code Tax-Exempt Non-AMT Bonds and that are owned by the Authority, by other governmental entities or by charitable organizations exempt from federal taxation under Section 501(c)(3) of the Code are not subject to the 20/50 or 40/60 Requirement or the 20/80 Requirement. However, if any multi-family development that is financed by Transitioned 1954 Code Tax-Exempt Non-AMT Bonds issued after August 16, 1986 and that is owned by such a charitable organization shall not be newly constructed or substantially rehabilitated, such multi-family development shall be subject to the 20/50 or 40/60 Requirement.

Authority Income Limits

The Authority has established income limits for the admission of families and persons to Authority financed multi-family developments. Under the Authority's current rules and regulations (which are subject to change), the adjusted family income as defined by the Authority for admission to a rental unit in a multi-family development may not exceed 150% of the area median gross income, except as described below regarding economically mixed multi-family developments. In addition, the Authority's rules and

regulations authorize the establishment of lower income limits with respect to particular mortgage loans or categories of mortgage loans. When the Authority imposes income limits on multi-family developments in connection with its financing or subsidizing of such developments the limits are designed to promote the Authority's mission and, when applicable, to satisfy the requirements of federal or other non-Authority programs, including requirements imposed by the Code. Such income limits may increase the risk that the multi-family borrower will not earn enough in rents to service the loan and maintain the collateral for the loan, but the Authority attempts to limit such risks when it underwrites the loans. The Authority's current income limits policy is as follows: (i) developments with highly subsidized mortgage loans, as determined by the Authority, are subject to income limits of 50% of the units restricted to tenants with incomes not exceeding 50% of the area median income, as determined by the Authority, and 50% of the units restricted to tenants with incomes not exceeding 150% of such area median income, unless they are also subject to federal low-income housing tax credits in which case the Authority simply imposes the same restrictions imposed by the federal low-income housing tax credits; (ii) developments financed with proceeds of Tax-Exempt Bonds are subject to the applicable income limits imposed by the Code, as discussed above in "Requirements Applicable to Developments Financed by Tax-Exempt AMT Bonds and Tax-Exempt Non-AMT Bonds," with the balance of their units restricted to tenants with incomes not exceeding 150% of the area median income, as determined by the Authority, and such developments typically have additional income and rent limits imposed by the requirements of an award of federal low-income housing tax credits; (iii) developments financed under the Authority's economically mixed development program are subject to the income limits described below in "Economically Mixed Multi-Family Developments" and (iv) all other developments financed by the Authority are subject to income limits of 100% of the units restricted to tenants with incomes not exceeding 150% of the area median income, as determined by the Authority. Notwithstanding the current income limits described above, the Authority may, from time to time, impose different income limits for particular loans as part of short-term partnerships with entities wanting to provide financing for affordable housing in Virginia. See Appendix F for income limitations under certain federal programs.

Economically Mixed Multi-Family Developments

The Authority has financed and expects to finance in the future, economically mixed multi-family developments in which a portion of the units (not to exceed 80%) will not be subject to the Authority's income limits. The Authority is also authorized to finance in such multi-family developments non-housing buildings or portions thereof. The Authority has set the minimum set-aside for such economically mixed multi-family developments not financed by Tax-Exempt Bonds as 20% of the units restricted to tenants with incomes not exceeding 80% of area median income, as determined by the Authority. All such developments which are 15,000 square feet or larger and which have non-housing buildings or portions thereof must have at least 60% of their income derived from their residential portion. The Authority has offered different options in the past and may modify, eliminate or replace the options described above in the future.

Underwriting

When a developer submits to the Authority an application for the financing of a multi-family development, it is assigned to an Authority staff development officer (a "Development Officer"), who evaluates the proposed multi-family development concept, the multi-family development site and its location. Based upon the initial screening, the Development Officer will then evaluate the suitability of the site and the adequacy of the market for rental housing in the area. The evaluation will include an analysis of the site characteristics, the surrounding land uses, the available utilities, transportation, employment opportunities, recreation opportunities, shopping facilities and other factors affecting the site. An initial evaluation is made of the experience and financial capacity of the general contractor and the qualifications of the architects, attorneys and rental agent of the proposed multi-family development at this time. During this stage of processing, the Chief Executive Officer approves the mortgage loan, subject to satisfactory completion of the underwriting as described below.

After the above-described evaluation and review, the developer must submit additional information, including an analysis of the multi-family development's expected costs and operating expenses, marketing and management information and information about the developer and the development team. The Development Officer analyzes the economic feasibility of the multi-family development, considering, among other things, an estimate of construction cost, a projection of rental levels, the projected mortgage loan amortization and operating expenses, and an estimate of rental and other income, as well as the compatibility of such rent levels with Authority programs and goals. To be considered feasible, the development's expected rental income, which would be impacted by the area's supply of and demand for rental housing as well as the income and rental restrictions imposed on the development by the applicable housing programs, must be sufficient to cover expected loan payments and operating costs by an acceptable amount, as determined by the Authority. For the purpose of analyzing the feasibility of the multi-family development, the Authority's underwriting guidelines provide that (i) the loan-to-value ratio may not exceed 90%, in the case of for-profit mortgagors, and 100%, in the case of non-profit mortgagors, (ii) the term of the mortgage loan may not exceed 40 years, and (iii) the debt service coverage, which is calculated as the net operating income (i.e., the rental income less operating expenses) divided by the debt service on the mortgage loan, may not be less than 110%; however, the foregoing policies may be waived or modified by the Authority at any time.

During the analyses described above, (i) expected construction costs are reviewed and analyzed by the Development Officer, with advice from the Authority's staff architects, to determine whether such costs are reasonable based on costs of similar developments, and (ii) the Development Officer obtains an appraisal of the land or leasehold interest from an independent real estate appraiser and makes a more detailed evaluation (compared to the initial review) of overall market conditions and the proposed site of the multi-family development. The Development Officer at this stage identifies and analyzes competitive projects, and gives an opinion on the present and projected demand for the multi-family development in the market area. Such analysis of overall market

conditions generally includes trends and projections of housing production, employment and population for the market area. The site evaluation includes the access and topography of the site, the neighborhood environment of the site, facilities serving the site and present and proposed uses of nearby land.

In addition, the Development Officer reviews the management of the proposed development, with particular emphasis given to determining if the operating costs are realistic and if the proposed managing agent is qualified to manage the multi-family development in conformity with the management standards and procedures established by the Authority. Drawings, specifications and site plans are reviewed by the Authority's staff architects for design concept with emphasis being placed on functional use for the residents and marketability over the life of the multi-family development. Submission of a Phase I environmental assessment is generally required and reviewed by the Development Officer. Additional assessments and reports may be required based on identified conditions.

If upon completion of the analyses described above the Chief Executive Officer approves the multi-family development, a commitment for a mortgage loan is issued with any terms or conditions specified by the Chief Executive Officer.

Throughout the underwriting process described above, the Development Officer must estimate the likelihood that certain things will happen or will not happen between the time the Authority disburses its loan and gets paid in full. Notwithstanding the use of recognized underwriting techniques and standards, including the use of both historical data and data from existing loans in the portfolio, the Development Officer's ability to predict the future is always going to be imperfect. When certain underwriting assumptions are proven wrong it can result in a loan that is less likely to be paid in full than the Authority originally expected.

Commitment and Initial Closing

Upon receipt and acceptance of a mortgage loan commitment, the developer is to direct its attorney to submit all the documents required by the mortgage loan commitment for the initial mortgage loan closing. After review and approval by the Authority of all loan documents and final working drawings and specifications, the initial closing of the multi-family mortgage loan will be held. At this closing the mortgagor and the Authority will execute all documents required by the commitment, and the mortgagor will make any required equity investment and other deposits required by the multi-family mortgage loan commitment.

Construction

The Authority has established various requirements intended to assure timely completion of construction and to provide funds in the event difficulties are encountered during construction. Among these requirements, some or all of which may be waived by the Authority, are the following: a retainage equal to 10% of construction disbursements through 50% completion which is disbursed when the loan converts to permanent financing; unconditional, irrevocable letters of credit (generally 7.5-12.5% of construction costs) to secure completion of construction; and unconditional, irrevocable letters of credit to secure correction of latent construction defects (generally 2.5% of construction costs).

In addition, the Authority requires all of the necessary construction funding that will come from sources other than the proceeds of the Authority's construction loan (referred to in this paragraph as "required equity") be disbursed and used for the construction before any of the proceeds of the Authority's construction loan are disbursed. Under current market conditions, the overwhelming majority of construction loans with low-income housing tax credits require an exception to the forgoing policy. The Authority allows such exceptions under the following conditions: (a) the schedule for disbursements of required equity must provide for disbursements no later than the following: 25% of the total required equity paid in at loan closing from a disbursement from the low-income housing tax credit investor, as either a bridge loan or cash investment, net of any developer fee payment or other cost not included in the Authority's loan to cost calculation; 50% of all required equity disbursed on or before 50% construction completion; and 100% of all required equity disbursed by the end of construction, and (b) the developer must pay a fee to the Authority which is generally between 1% and 2% of the amount of required equity not disbursed at closing, depending on the amounts and the timing of the disbursements of the required equity.

Construction of the multi-family development generally commences within 30 days after the initial closing. During construction, the Authority's field inspectors make frequent on-site observations of the progress of construction. The Authority approves or disapproves all construction loan disbursements and construction change orders.

Final Closing and Certifications

Upon completion of construction, the Authority makes a final review to determine that, based on its inspection of the multi-family development and the representations of the architect, (i) construction of the multi-family development has been completed in accordance with approved plans and specifications and other terms of the multi-family mortgage loan, and in accordance with any applicable zoning, building, housing and other codes and ordinances, and (ii) the multi-family development is in good and tenantable condition. If the final review is satisfactory, the general contractor and the mortgagor submit cost certifications of all actual costs of construction and development. Some cost certificates must be completed by an independent certified public accountant in accordance with the Authority's guidelines to ensure compliance with the Code. In the case of multi-family developments having limited rehabilitation, the mortgagor is required only to certify that the costs are reasonable, ordinary and necessary for such rehabilitation.

Prior to final closing the Authority's staff reviews and approves the cost certifications, final title insurance policy and certain documents required by the Authority, such as final plans and specifications, as-built survey, waiver of liens and the architect's certification as to completion of the multi-family development. Upon final closing the final multi-family mortgage loan amount is established and disbursement of the remaining mortgage loan proceeds is made.

The final multi-family mortgage loan amount may be reduced from the initial closing amount based upon the certification of actual costs. Although it is the Authority's present policy not to grant multi-family mortgage loan increases at the final closing of a multi-family mortgage loan, a multi-family mortgage loan increase may be granted if deemed justified by the Authority.

There are several reasons why final closing may be delayed, including construction delays and a variety of financial hardships which can be experienced by the developer. When the Authority receives money later than was anticipated because the final closing is delayed, the Authority may incur unanticipated costs.

Permanent Financing

In the case of a mortgage loan which is to provide only the permanent financing for a multi-family development, certain of the above described processing procedures relating to the closing of the mortgage loan and the construction of the multi-family development are inapplicable (e.g., the closing of the multi-family mortgage loan is held upon completion of construction, if any, of the multi-family development in accordance with the plans and specifications approved by the Authority and upon satisfaction of the conditions of the commitment, and the proceeds of the multi-family mortgage loan are fully disbursed at such closing).

Regulation and Management

Generally, each multi-family development is subject to a regulatory agreement between the Authority and the mortgagor, which regulates the occupancy, management and operations of the multi-family development. However, the rents to be charged for units in a multi-family development are established by the mortgagor without the approval of the Authority. The management of the multi-family development is also governed by a housing management agreement between the mortgagor and its management agent or, if the mortgagor and the management agent are the same entity, between the mortgagor and the Authority. In the case of a multi-family development that is not financed by Tax-Exempt Bonds and that has an original principal amount of less than $2 million, the Authority does not require the execution of a regulatory agreement but does require the inclusion of covenants in the deed of trust regulating the occupancy, operation and ownership of the multi-family development.

The Authority has the right to terminate the housing management agreement for just cause as determined by the Authority. After completion of construction and occupancy, the Authority periodically inspects the multi-family development and conducts spot audits of the management agent's verification of resident eligibility, receives a report on the multi-family development accounts, accounts payable and receivable and multi-family development bank accounts, and generally observes all management operations. Except in the case of mortgage loans having an outstanding principal balance of less than $1 million, the mortgagor is required to submit monthly reports to the Authority which include information on the status of accounts payable and receivable for the multi-family development, occupancy of the units, and operating income and expenses. When any potential problems are identified, the Authority attempts to determine the causes in order to facilitate the initiation of appropriate corrective action, which may include management changes, additional equity contributions by the mortgagors, foreclosure, loan modification and other appropriate remedial actions.

After final closing, each mortgagor typically pays a monthly amount to fund a reserve for replacements account for the multi-family development. Such monthly amounts may be discontinued if the balance in such account is maintained at the equivalent of three years of reserve deposits, a capital needs study shows that reserves are at a sufficient level or another party is collecting reserves. In addition, on a case by case basis, the Authority may not require such monthly amount if the Authority determines that such deposit is not warranted. The mortgagor may request the withdrawal of funds from the reserve for replacements account for payment of the cost of major replacement items. Disbursements are to be made in accordance with the Authority's determinations as to what is in the best interest of the multi-family development.

An escrow account for the payment of real estate taxes and insurance premiums is maintained by the Authority for each multi-family development after final closing and is funded by monthly payments by the mortgagor of 1/12 of the estimated annual real estate tax assessments and insurance premiums. The Authority pays real estate taxes and insurance premiums for each multi-family development out of the sums available for each multi-family development from the mortgagor's deposits. The mortgagor is required to contribute additional funds in the event of a deficiency in the escrow account. In addition, on a case by case basis, the Authority may not require a real estate tax and insurance escrow if the Authority determines that such escrows are not warranted. The Authority escrowing for the premiums of any particular insurance does not guarantee that such insurance will always be there because circumstances beyond the Authority's control could lead the insurer to refuse to renew the policy or impose high premium increases.

See Appendix F for a description of certain additional restrictions imposed by federal law and regulations regarding the use and occupancy of multi-family developments.

Delinquencies and Foreclosures; Risk of Loss

As of March 31, 2026, all Mortgage Loans were current in their payments, except Mortgage Loans for four Developments having an aggregate outstanding principal balance of $13 million, rounded to the nearest million, however a Mortgage Loan can be current in its payments and still be on the Authority's at-risk list described below. As of March 31, 2026, the Authority owned, as a result of foreclosure or deed in lieu of foreclosure, one Development financed, in whole or in part, with proceeds of bonds (including Rental Housing Bonds) (the "Owned Developments"). The Authority reports losses in its financial reports when it takes title to such Owned Developments and reports additional losses when subsequent appraisals of such Owned Developments show declining values. Typically, the operating income of such Owned Developments covers their operating expenses.

For multi-family developments experiencing financial difficulties, the Authority may restructure the timing of the receipt of the principal and interest payments on the multi-family mortgage loan, offer a temporary forbearance plan, reduce the interest rate, or modify insurance requirements on a temporary or permanent basis. Sudden and extraordinary negative disruptions to the Virginia economy, as well as widespread significant increases in one or more types of operating expenses, may lead to a materially higher number of such multi-family mortgage loan restructurings than is otherwise typical. See "Declining Markets; Risk of Loss" in "The Single Family Program" and "Business Disruption Risk" in "Part III – General Information About the Authority" for additional disclosures regarding economic and disruption risks from adverse external events.

The Authority conducts quarterly analyses of the risk of losses on its multi-family mortgage loans to be included in the Authority's allowance for loan loss. For this analysis, the Authority develops a list of the multi-family developments that are identified as being at-risk of foreclosure and assigns one of four levels of risk ("high risk," "medium risk," "low risk" or "watch") to each of those at risk multi-family developments based upon a number of factors, which for most mortgage loans include its mortgage loan payment status and record, its debt service coverage from rental income, the willingness and ability of the mortgagor to fund mortgage loan payment deficiencies, its physical condition, the mortgagor's operation and management of the development, the financial status of any other multi-family developments that the principals in the mortgagor have financed with the Authority and such other factors as the Authority determines to be related to the risk of loss. For smaller mortgage loans the analysis may be limited to the loan size compared to the value of the collateral. The foregoing analysis is likely different from the analysis that would be used by a commercial lender that does not have an affordable housing mission. For each such at-risk multi-family development, the Authority estimates the potential loss should it go to foreclosure as the difference between (i) the estimated value of the collateral and (ii) the outstanding principal balance of the mortgage loan, less any operating or replacement reserves held by the Authority. For multi-family developments for which the Authority has reliable financial information, the Authority estimates the value of the collateral as the amount of debt financing (assumed to be fully amortizing over 30 years with level payments and at the lesser of the existing interest rate on the Authority's mortgage loan or the current permanent forward multi-family interest rate then being offered by the Authority) which could be supported at break-even by the net operating income of the multi-family development, all as determined by the Authority in its sole discretion. For at risk multi-family developments for which the Authority does not have reliable financial information, the Authority estimates the value of the collateral using the tax assessment value. When determining such risk levels and potential losses, the Authority does not consider the possibility of natural disasters, economic disruptions, or anything else outside of the control of the mortgagor and the Authority. The Authority can give no assurance that its determination of risk for all such developments, as described in this paragraph, is accurate. Based on such level of risk and potential loss, the Authority includes an amount for each such at-risk multi-family development in the Authority's allowance for loan loss. Set forth below is a chart that lists, as of March 31, 2026, the number of such at-risk multi-family developments at each level of risk, the aggregate principal balance of the mortgage loans financing such developments, and the amount included in the Authority's allowance for loan loss (all in millions, rounded to the nearest million):

Foreclosure Risk Level	Number of Developments	Principal Balance	Amount Included in the Authority's Allowance for Loan Loss
High	2	$90	$12
Medium	10	21	9
Low	40	136	11
Watch	41	175	3
TOTAL	93	$422	$35

The Authority also includes in the Authority's allowance for loan loss additional amounts for all other multi-family developments based upon 1.063% of the outstanding principal balances of the mortgage loans financing such other developments and may include other additional amounts in the Authority's allowance for loan loss to cover risks on multi-family developments not otherwise covered by the above described amounts. The total of all of the foregoing amounts attributed to the multi-family program that were included in the Authority's allowance for loan loss as of March 31, 2026 is $58 million, rounded to the nearest million. The Authority may at any time modify the above described analysis and calculations as it shall determine to reflect its risk of loan loss. See Appendix A for the Authority's total allowance for loan loss. See "Geographic Concentration in Virginia" in "Certain Programmatic Considerations" for a discussion of the risk from the concentration of multi-family mortgage loans in Virginia.

MISCELLANEOUS PROGRAMS

The Authority makes certain mortgage loans supported or financed by net assets of the Authority (see "General Fund and Other Net Assets" in "Part III – General Information About the Authority" for a description of mortgage loan programs effected with assets in the General Fund). The Authority administers the federal low-income housing tax credit program under Section 42 of the Code and the Commonwealth's Housing Opportunity Tax Credit program and federal grant or subsidy programs and assists the Commonwealth's Department of Housing and Community Development in the administration of the federal HOME loan and grant program, the federal Housing Trust Fund loan and grant program and state loan and grant programs. Mortgage loans and other assets financed or acquired by money from federal or state grant or subsidy programs are not pledged or available for the payment of any of the Authority's bonds or other obligations.

CERTAIN PROGRAMMATIC CONSIDERATIONS

Geographic Concentration in Virginia

Different geographic regions of the United States from time to time will experience weaker regional economic conditions and housing markets, and, consequently, may experience higher rates of loss and delinquency on mortgage loans generally. Any concentration of the mortgage loans in a region may present risk considerations in addition to those generally present for similar securities without that concentration. If the mortgage loans are concentrated in one or more regions, a downturn in the economy in these regions of the country would more greatly affect the mortgage portfolio than if the mortgage portfolio were more diversified. In particular, all of the Authority's multi-family mortgage loans and single family mortgage loans are secured by mortgaged properties in Virginia.

Because of the geographic concentration of the mortgaged properties within Virginia, losses on the Authority's multi-family mortgage loans and single family mortgage loans may be higher than would be the case if the mortgaged properties were more geographically diversified. For example, some of the mortgaged properties may be more susceptible to certain types of special hazards (such as hurricanes, floods, fires and other natural disasters) and major civil disturbances than residential properties located in other parts of the country. In addition, the economy of Virginia may be adversely affected to a greater degree than the economies of other areas of the country by certain regional developments, such as if an extended shutdown of the federal government were to occur. If the residential real estate markets in an area of concentration experience an overall decline in property values after the dates of origination of the respective mortgage loans, then the rates of delinquencies, foreclosures and losses on the mortgage loans may increase and the increase may be substantial.

The concentration of the Authority's multi-family mortgage loans and single family mortgage loans with specific characteristics relating to the types of properties, property characteristics, and geographic location are likely to change over time. Principal payments may affect the concentration levels. Principal payments could include voluntary prepayments and prepayments resulting from casualty or condemnation, defaults and liquidations and from repurchases of mortgage loans due to breaches of representations and warranties by the Authority's Originating Lenders.

The geographic concentration of the Authority's single family mortgage loans and multi-family mortgage loans (including the Mortgage Loans) may increase the risk to the Authority of losses on those loans which, in turn, could affect the financial performance of the Authority.

Changes in Federal or State Law and Programs

The Authority endeavors to operate all its programs in compliance with all applicable federal and state laws and regulations. Changes in such laws and regulations could adversely impact the Authority's revenues when such changes directly or indirectly increase the Authority's operating costs or decrease the demand for the Authority's loan products. In addition, changes to federal or state housing programs, including, but not limited to, reductions in program funding or operating budgets, could adversely impact the Authority's revenues when such changes directly or indirectly increase the Authority's operating costs, decrease the demand for the Authority's loan products, eliminate capital sources the Authority expected would be available for developments already under construction, or result in the elimination of an Authority program. The Authority does not currently anticipate any changes to federal or state laws, regulations or programs that would result in a material adverse impact on the Authority's revenues, but the Authority can give no assurance as to the likelihood, content or material impact on the Authority of any future changes to federal or state laws, regulations or programs.

Prepayments

A decline in mortgage interest rates below applicable deed of trust note rates will generally result in an increase in prepayments on mortgage loans. The level of prepayments also may be affected by other factors outside of the Authority's control, including, but not limited to, economic conditions, home prices, borrower credit circumstances, provisions regarding prepayment in the applicable deed of trust note, and defaults on mortgage loans. Such prepayments on the mortgage loans may have the effect of reducing the outstanding principal balances of the Authority's mortgage loan portfolio. No assurances can be given as to future changes in mortgage interest rates or prepayments or the financial impact of such prepayments on the Authority's revenues. See "Changes in Federal or State Law and Programs" above for a discussion of possible legislation or regulations that also may have an impact on prepayments.

PART III – GENERAL INFORMATION ABOUT THE AUTHORITY

History and Location

The Authority is a political subdivision of the Commonwealth constituting a public instrumentality. It was established in 1972 to assist in meeting the needs and achieving the objectives of the Commonwealth with respect to housing for persons and households of low and moderate income. The principal office of the Authority is located at 601 South Belvidere Street, Richmond, Virginia 23220, telephone: (804) 782-1986.

Commissioners

The Commissioners of the Authority consist of eight members appointed by the Governor, each to a four-year term, one of whom must satisfy the criteria specified by Section 2(b) of the United States Housing Act of 1937, one member appointed by the Virginia Board of Housing and Community Development ("BHCD") from their own membership to be their representative, with no fixed term, and two ex officio members. The eight members appointed by the Governor must be confirmed by the General Assembly. If the General Assembly rejects their appointment after the beginning of their term, they are Commissioners from the beginning of their term until the General Assembly rejects their appointment. At the end of his or her term, each Commissioner appointed by the Governor continues to serve until the Governor reappoints them (a maximum of two consecutive terms are allowed) or a new Commissioner is appointed by the Governor to replace them. The representative of BHCD remains a Commissioner until BHCD chooses a replacement. The two ex officio members are the Treasurer of the Commonwealth and the Director of the Virginia Department of Housing and Community Development. After the Governor appoints the Treasurer of the Commonwealth and the Director of the Virginia Department of Housing and Community Development, those appointments must be confirmed by the General Assembly, but they are Commissioners from their appointment. The Authority's Commissioners currently are:

Name	Term Expires June 30	Position
Sarah B. Stedfast, Chair	2027	Executive Vice President, Mortgage Regional Sales Manager, TowneBank Mortgage, Virginia Beach
Davon Gray, Vice Chair	2027	Vice President, Policy, Purpose Built Communities, Manassas
Dominique Hicks-Whitaker	2026	Section 8 Housing Choice Voucher Representative, Henrico County
Donald E. Scoggins	2026	Affordable Housing Consultant and Urban Planner, Woodbridge
Matthew Fields	2028	Owner, Appalachian Capital Partners, Buchanan County
Michael Olivieri	2028	Senior Vice President, Associated Development Management Corp., Virginia Beach
Dare Ruffin	2028	Asset Management & Investment Lead, Ruffin Family Office (embedded within Gold Key PHR), Virginia Beach
Nathan Shultz	2029	Housing and Mortgage Industry Consultant, Potomac Partners LLC Alexandria
Roger W. Jones	no fixed term	Member and representative, Virginia Board of Housing and Community Development, Nokesville
David L. Richardson	ex officio	Treasurer, Commonwealth of Virginia, Richmond
Dr. Tamarah A. Holmes	ex officio	Director, Virginia Department of Housing and Community Development, Richmond

Management Structure; Principal Staff Officers

The Chief Executive Officer is appointed by the Board of Commissioners and implements the policies of such Board and manages the operations of the Authority. Listed below are the Authority's principal officers directly involved in the single family program and the multi-family program and their responsibilities.

Tammy Neale. Chief Executive Officer. Ms. Neale joined the Authority in 1985 and after serving the Authority in numerous positions in Homeownership she served as the Authority's Strategic Planning Officer, Managing Director of Human Resources,

Managing Director of Organizational Development & Learning, Chief of Staff, and Chief of Programs, prior to starting her current role on April 1, 2024. Ms. Neale is a graduate of the University of Richmond.

Monique S. Johnson. Chief of Programs. Ms. Johnson joined the Authority in 2021 as Managing Director of Community Outreach prior to starting her current role on April 22, 2024. Prior to joining the Authority, Ms. Johnson was the Chief Operating Officer at the Better Housing Coalition and Vice President at Virginia Community Capital. Ms. Johnson has a Bachelor of Science in Civil Engineering from the University of Virginia, a Master of Business Administration degree from the University of Richmond and a Ph.D. in Public Policy and Administration from Virginia Commonwealth University.

Fred W. Bryant. Chief Counsel. Mr. Bryant joined the Authority in 1993 as Assistant Counsel and served as Deputy Chief Counsel from July 2012 to June 2021, and has served in his current role since then. Prior to joining the Authority, Mr. Bryant was engaged in the practice of law in Richmond, Virginia. Mr. Bryant is a member of the Virginia State Bar and a graduate of Hampden-Sydney College and University of Richmond School of Law.

Janet Wiglesworth. Chief Operations Officer. Ms. Wiglesworth joined the Authority in 1998 as Director of Business Systems. Prior to joining the Authority, Ms. Wiglesworth was employed as Senior Vice President for First Chesapeake Financial Corporation. Ms. Wiglesworth is a graduate of Virginia Commonwealth University.

J. Hil Richardson, Jr. Chief Financial Officer. Mr. Richardson joined the Authority in 1994 as Finance Manager and served as the Director of Multi-family Finance from July 2013 to October 2017. Prior to joining the Authority, Mr. Richardson was employed as an Insurance Analyst with the Virginia State Corporation Commission. Mr. Richardson is a graduate of the University of Virginia and has a Master of Business Administration degree from Virginia Commonwealth University.

Program Funds

The funds for the Authority's mortgage loan programs are derived from the proceeds of its notes and bonds, prepayments and repayments on mortgage loans, excess revenues and the Authority's net position. Certain information on such notes and bonds is set forth in note 9 of the Authority's audited financial statements attached hereto as Appendix A. The amount of notes and bonds which the Authority may issue or have outstanding is limited only by the provisions in the Code which restrict the amount of tax-exempt bonds which may be issued and by the provision of the Code of Virginia which limits the outstanding principal amount of Authority obligations secured by a capital reserve fund to $1.5 billion, excluding certain refunding transactions. The Authority is currently in compliance with such limits in the Code and the Code of Virginia. The Authority pays its expenses from the income generated from its operations and has received no funds from the Commonwealth other than an initial advance, which the Authority has repaid.

Summary of Revenues, Expenses, and Net Position

The following is a summary of the Authority's revenues, expenses and net position at year end for each of the fiscal years from 2022 through 2025 and at March 31, 2025 and 2026. With respect to March 31, 2025 and 2026, and the nine month periods then ended, the summary includes normal accruals and estimates, necessary under generally accepted accounting principles for a fair presentation of the combined revenues, expenses and changes in net position of the Authority. Operations for the nine month period ended March 31, 2026 are not necessarily indicative of operations for the fiscal year ending June 30, 2026. The net position of certain funds is restricted and is subject to varying valuation methodologies pursuant to contracts with bond owners. The totaling of the accounts does not indicate that the combined net position is available for the payment of principal or interest on the Commonwealth Mortgage Bonds, Homeownership Mortgage Bonds or Rental Housing Bonds, for the payment of the Authority's operating expenses or for any other purpose. The summary should be read in conjunction with the financial statements and notes appearing in Appendix A. The amounts in the summary for each year ended June 30 are derived from the audited financial statements for each such year.

	Year Ended June 30 (in millions, rounded to the nearest million)				Nine Months Ended March 31 (unaudited)	
	2022	2023	2024	2025	2025	2026
Memorandum Only – Combined totals						
Revenues:	$584	$628	$712	$754	$565	$616
Expenses:	555	590	638	650	491	573
Excess of revenues over expenses	29	38	74	104	74	43
Net position at beginning of period	3,718	3,747	3,785	3,859	3,895	3,963
Net position at end of period	$3,747	$3,785	$3,859	$3,963	$3,933	$4,006

Prior and Anticipated Financings of the Authority

As of March 31, 2026 the Authority had approximately $9,022 million, rounded to the nearest million, of notes and bonds outstanding (see Appendix A). Subsequent to such date, the Authority issued, or currently expects to issue, the notes and bonds listed below. Notes and bonds listed below with an issuance date that falls after the date of this Official Statement are described below

based on the Authority's current estimates and they may or may not ever be issued and, if issued, they may have a different par amount or be issued on a different date than shown below.

Issue	Par Amount	Issuance Date
Commonwealth Mortgage Bonds, 2026 Series B-Taxable	$75,000,000	May 20, 2026
Rental Housing Bonds, 2026 Series B-Non-AMT	$35,510,000	May 28, 2026
Commonwealth Mortgage Bonds, 2026 Series H-Non-AMT	$150,000,000	July 8, 2026
Commonwealth Mortgage Bonds, 2026 Series I-Taxable	$225,000,000	July 8, 2026
Commonwealth Mortgage Bonds, 2026 Series J-Non-AMT	$206,340,000	July 8, 2026
Rental Housing Bonds, 2026 Series D-Non-AMT	$140,000,000	October 8, 2026
Rental Housing Bonds, 2026 Series E-Taxable	$60,000,000	October 8, 2026

The Authority has a $75 million revolving credit agreement (the "Bank of America Agreement") with Bank of America, N.A. ("Bank of America") to provide a source of immediately available funds for the general corporate purposes of the Authority. Upon submission of a completed and duly executed request for advance, the Authority may draw funds under the Bank of America Agreement up to the maximum outstanding amount of $75 million, provided that no default by the Authority under the Bank of America Agreement shall have occurred and be continuing. Defaults include (i) failure by the Authority to pay any amounts due under the Bank of America Agreement; (ii) any representation or warranty made by the Authority in or pursuant to the Bank of America Agreement being incorrect or untrue in any material respect as of the date of the Bank of America Agreement or as of the date of any extension thereof; (iii) any default by the Authority under any mortgage, indenture, contract, agreement, undertaking or instrument evidencing debt of the Authority that is not remedied within 30 days' notice by the Authority to Bank of America and that could reasonably be expected to have a material adverse effect on the Authority or the ability of the Authority to perform its obligations under the Bank of America Agreement; (iv) the bankruptcy of the Authority, certain acts of insolvency by the Authority, or the rendering of any final judgment against the Authority that remains unsatisfied for 60 days; (v) the assignment to the Authority of a rating by Moody's or Standard & Poor's below Baa or BBB, respectively, or a withdrawal by Moody's or Standard & Poor's of their applicable rating of the Authority; (vi) failure by the Authority to comply with certain of its covenants in the Bank of America Agreement requiring the Authority (a) not to invest its own funds in a manner which could reasonably be expected to result in a material adverse effect on the Authority or the ability of the Authority to perform its obligations under the Bank of America Agreement, (b) to submit financial records and information, including the Authority's official statements and offering circulars, to Bank of America, (c) to provide notice to Bank of America of any default by the Authority under the Bank of America Agreement or any default or other event under any instrument evidencing the Authority's debt that may result in the accelerating of the maturity of such debt and could have a material adverse effect on the Authority, (d) to provide notice to Bank of America of any material litigation pending or threatened against the Authority or of any initiative, referendum, or similar events reasonably expected to have any material adverse effect on the Authority, (e) to maintain adequate and proper books and records, (f) to use best efforts to maintain the Authority's existence and the Authority's rights and privileges material to its ability to repay obligations under the Bank of America Agreement, and (g) to comply with laws and regulations of the Commonwealth and the United States; and (vii) merger, consolidation or disposition of all or a substantial part of the Authority's property reasonably expected to result in any material adverse effect on the Authority. In the event of any default by the Authority under the Bank of America Agreement, Bank of America may terminate such Agreement and may demand immediate payment of any and all amounts drawn and outstanding thereunder. Any such demand may adversely affect the financial condition of the Authority, including its ability to use net assets in the General Fund and other net assets to pay Bond Amounts, to the extent Assets and income therefrom are not sufficient to pay such Bond Amounts. The Bank of America Agreement will terminate on December 1, 2026, unless renewed by the Authority and Bank of America. All outstanding amounts are due and payable on the termination date. For the most recent month, the amount outstanding under the Bank of America Agreement was as follows:

Date	Amount Outstanding
April 30, 2026	$0

The Authority has a $75 million revolving credit agreement (the "Wells Fargo Agreement") with Wells Fargo Bank, National Association ("Wells Fargo") to provide a source of immediately available funds for the general corporate purposes of the Authority. Upon submission of a completed and duly executed request for advance, the Authority may draw funds under the Wells Fargo Agreement up to the maximum outstanding amount of $75 million, provided that no default by the Authority under the Wells Fargo Agreement shall have occurred and be continuing. Defaults include (i) failure by the Authority to pay any amounts due under the Wells Fargo Agreement; (ii) any representation or warranty made by the Authority in or pursuant to the Wells Fargo Agreement being incorrect or untrue in any material respect as of the date of the Wells Fargo Agreement or as of the date of any extension thereof; (iii) any default by the Authority under any mortgage, indenture, contract, agreement, undertaking or instrument evidencing debt of the Authority that is not remedied within 30 days' notice by the Authority to Wells Fargo and that could reasonably be expected to have a material adverse effect on the Authority or the ability of the Authority to perform its obligations under the Wells Fargo Agreement; (iv) the bankruptcy of the Authority, certain acts of insolvency by the Authority, or the rendering of any final judgment against the Authority that remains unsatisfied for 60 days; (v) the assignment to the Authority of a rating by Moody's or

Standard & Poor's below Baa or BBB, respectively, or a withdrawal by Moody's or Standard & Poor's of their applicable rating of the Authority; (vi) failure by the Authority to comply with certain of its covenants in the Wells Fargo Agreement requiring the Authority (a) not to invest its own funds in a manner which could reasonably be expected to result in a material adverse effect on the Authority or the ability of the Authority to perform its obligations under the Wells Fargo Agreement, (b) to submit financial records and information, including the Authority's official statements and offering circulars, to Wells Fargo, (c) to provide notice to Wells Fargo of any default by the Authority under the Wells Fargo Agreement or any default or other event under any instrument evidencing the Authority's debt that may result in the accelerating of the maturity of such debt and could have a material adverse effect on the Authority, (d) to provide notice to Wells Fargo of any material litigation pending or threatened against the Authority or of any initiative, referendum, or similar events reasonably expected to have any material adverse effect on the Authority, (e) to maintain adequate and proper books and records, (f) to use best efforts to maintain the Authority's existence and the Authority's rights and privileges material to its ability to repay obligations under the Wells Fargo Agreement, and (g) to comply with laws and regulations of the Commonwealth and the United States; and (vii) merger, consolidation or disposition of all or a substantial part of the Authority's property reasonably expected to result in any material adverse effect on the Authority. In the event of any default by the Authority under the Wells Fargo Agreement, Wells Fargo may terminate such Agreement and may demand immediate payment of any and all amounts drawn and outstanding thereunder. Any such demand may adversely affect the financial condition of the Authority, including its ability to use net assets in the General Fund and other net assets to pay Bond Amounts, to the extent Assets and income therefrom are not sufficient to pay such Bond Amounts. The Wells Fargo Agreement will terminate on December 1, 2026, unless renewed by the Authority and Wells Fargo. All outstanding amounts are due and payable on the termination date. For the most recent month, the amount outstanding under the Wells Fargo Agreement was as follows:

Date	Outstanding Principal Balance
April 30, 2026	$0

The Authority from time to time issues notes to the Federal Home Loan Bank of Atlanta (the "FHLB") under an Advances, Specific Collateral Pledge and Security Agreement for Nonmember Mortgagees dated September 27, 1995 (the "FHLB Agreement"). The proceeds of the notes issued to the FHLB or other qualifying assets are deposited with the FHLB and serve as collateral for the notes. Any such other collateral is periodically marked to market, and the Authority may be required to post additional collateral if the market value falls below thresholds specified in the FHLB Agreement. Each note may be redeemed at par at any time. The Authority has issued, and may from time to time hereafter issue, notes to the FHLB and utilize the proceeds thereof for any valid corporate purpose. For the most recent month, the outstanding principal balance of such notes was as follows:

Date	Outstanding Principal Balance
April 30, 2026	$390,000,000

Events of default under the FHLB Agreement include (i) any failure to pay when due the amounts owed under the notes or to perform any other obligation of the Authority under the FHLB Agreement; (ii) any failure to maintain adequate qualifying collateral free of encumbrances; (iii) bankruptcy and certain other acts of insolvency by the Authority; and (iv) any material adverse change in the Authority's financial condition. In the event of any default by the Authority under the FHLB Agreement, the FHLB may demand immediate payment of any and all amounts outstanding under the notes and may take possession of and sell the collateral. If the collateral shall be insufficient to repay all amounts due under the FHLB Agreement, any such demand may adversely affect the financial condition of the Authority, including its ability to use net assets in the General Fund and other net assets to pay Bond Amounts, to the extent that Assets and income therefrom are not sufficient to pay such Bond Amounts.

Investments

Moneys in the General Fund may be invested by the Authority in (i) any obligations or securities set forth in Section 2.2-4519 of the Code of Virginia, 1950, as amended, (ii) any investments and deposits authorized by Sections 2.2-4500 through 2.2-4518 of the Code of Virginia, 1950, as amended, permitting the investment of the funds of the Commonwealth and its political subdivisions, such as the Authority, in certain other types of investments, and (iii) any other investments permitted under any bond resolution or trust indenture of the Authority which, when acquired, have, or are general obligations of issuers who have, long-term ratings of at least AA or Aa or the highest short-term ratings, as applicable, by two rating agencies, one of which shall be Moody's or Standard & Poor's or any successor thereto. Moneys pledged pursuant to a bond resolution or trust indenture of the Authority may be invested in any manner permitted by such bond resolution or trust indenture. Investment decisions are made by the Authority's staff. It is the Authority's current investment policy not to invest long-term those moneys expected to be utilized in the short-term and not to effect leverage transactions (e.g. reverse repurchase agreements or other borrowings) for the principal purpose of profiting from changes in interest rates. The Authority reserves the right to modify its investment policy from time to time.

The Authority's investment portfolio consists principally of direct or indirect obligations of the United States of America or of its agencies and instrumentalities, including but not limited to organizations such as Fannie Mae and Ginnie Mae (collectively, "Federal Obligations"), corporate notes, discount notes, bonds (including municipal bonds) and debentures, asset backed securities, certificates of deposit, repurchase agreements and commercial paper, all of which satisfy the requirements in the above referenced Sections of the Code of Virginia (see note 5 to the Authority's audited financial statements attached hereto as Appendix A, as of June 30, 2025). The secondary market for investments which are not Federal Obligations has been in the past and may be in the future

very illiquid. No assurances can be given that such investments can be sold prior to maturity or, if sold, can be sold at a price which is not materially less than the Authority's capital investment in such investment.

Note 5(b) of the Authority's audited financial statements attached hereto as Exhibit A sets forth a combined statement of the credit risk of the Authority's investments in the General Fund and under its bond resolutions, as of June 30, 2025. As such Note 5(b) shows, the Authority's investments that are not Federal Obligations are primarily reverse repurchase agreements and money market securities. As of March 31, 2026, the Authority's counterparties in the Reverse Repurchase Agreements category were as follows:

Counterparty	Principal Amount
Cantor Fitzgerald	$50,000,000
	$50,000,000

Such Reverse Repurchase Agreements are collateralized on a daily basis, generally with U.S. Treasury and agency securities, at a level equal to 102% of the market value thereof.

As of March 31, 2026, the Authority's counterparties in the Money Market Securities category were as follows:

Counterparties	Principal Amount
US Bank Commercial Paper	$121,832,830
Locus Bank, Inc.	4,000,000
Goldman Sachs	366,286
	$126,199,116

Schedule 5 of the Authority's audited financial statements attached hereto as Exhibit A shows the funds held by the Authority in a fiduciary capacity are primarily held in cash and cash equivalents.

The Common Fund

The Authority operates a non-regulated, internal only, pooled investment fund (the "Common Fund") consisting at present of various investments with maturity dates not later than 366 days from the date any such investment is allocated to the Common Fund. At present, all of such investments are investments permitted by the Commonwealth Mortgage Bonds Resolution, the Rental Housing Bonds Resolution, and the Homeownership Mortgage Bonds Resolution.

The shares of the Common Fund represent an undivided interest in the investments comprising the Common Fund. The Authority's investment accounting system allocates shares of the Common Fund to various funds of the Authority, including certain funds managed or held by the Authority which belong to other entities, and including Investment Obligations of the Offered Bonds and the Currently Outstanding Bonds, pro rata based upon the amounts invested in the Common Fund. It is expected that a substantial portion of the Investment Obligations of the Commonwealth Mortgage Bonds, Homeownership Mortgage Bonds and Rental Housing Bonds will be comprised of Common Fund shares.

General Fund and Other Net Assets

The General Fund contains the net assets of the Authority not pledged as security under the Commonwealth Mortgage Bonds Resolution, Rental Housing Bonds Resolution or Homeownership Mortgage Bonds Resolution. Net assets of the General Fund are used to pay the operating expenses of the Authority and are a source of payment for all general obligations of the Authority, including the Offered Bonds, although no assets of the General Fund are specifically pledged to secure the Offered Bonds. Moneys comprising the General Fund's net assets may be used for any lawful purpose of the Authority. The Authority expects to continue to pay its general operating expenses from the General Fund and to maintain the General Fund's net position at a level determined to be appropriate by the Authority. No assurance can be given that moneys will be available in the General Fund for payment of debt service on the Offered Bonds at any particular time.

The Authority uses a portion of its net assets to provide additional, targeted, support for low and moderate income Virginians, and it calls those efforts, and the funding committed to those efforts, REACH Virginia. REACH Virginia primarily takes the following forms: very low interest rates for qualifying multi-family borrowers who have made legally binding promises which benefit low and moderate income Virginians, grants, of appropriate sizes, to qualifying housing organizations who are advancing the interests of low and moderate income Virginians in a variety of ways, and grants and interest rate buydowns to qualifying homebuyers through a variety of programs. Under the programs described in the preceding sentence, some borrowers will benefit from both REACH Virginia subsidies and favorable interest rates from tax-exempt bonds. Each year, the Authority determines how much of its net assets it will commit to REACH Virginia, and what goes unused in any fiscal year is carried forward for use in subsequent fiscal years. The amount of net assets the Authority commits to REACH Virginia each year is a percentage (the "REACH Percentage"), which is set by the Authority's Board of Commissioners, of the average of the Authority's modified change in net

position for the preceding three fiscal years. The modified change in net position for each of those three preceding fiscal years is determined by taking the actual change in net position for the year, adding back the amount disbursed as grants, and then removing any adjustment related to the effects of Governmental Accounting Standards Board (GASB) No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools. The current REACH Percentage is 75%. From time to time, the Authority may raise or lower the REACH Percentage, or change the methodology for determining the Authority's annual commitment to REACH Virginia. When used for very low interest rates, and similar housing subsidies, the amount considered charged against REACH Virginia represents the present value of the costs to the Authority to finance loans at interest rates below the Authority's costs, or to provide other housing subsidies. When used for grants, the amount charged against REACH Virginia is the amount disbursed. Either way, REACH Virginia is expected to reduce the Authority's net position below what it would have been without REACH Virginia, which reduces the amount of net position available to the Authority for payment of its obligations (including Bond Amounts) or for other purposes permitted by the Act. For fiscal years 2006 to 2026, the Authority has committed a total of $1.133 billion, rounded to the nearest million, to REACH Virginia.

As of March 31, 2026, $96 million aggregate principal balance, rounded to the nearest million, of multi-family mortgage loans financed by General Fund net assets was outstanding. As of March 31, 2026, all such multi-family mortgage loans were current in their payments, except for one multi-family mortgage loan having an aggregate outstanding balance of $231,000; however a multi-family mortgage loan can be current in its payments and still be on the Authority's at-risk list (see "Delinquencies and Foreclosures; Risk of Loss" in "The Multi-Family Program"). As of March 31, 2026, the Authority did not own any multi-family developments as a result of foreclosure which had been financed, in whole or in part, with General Fund net assets. As of March 31, 2026, $935 million aggregate principal balance, rounded to the nearest million, of single family mortgage loans financed by General Fund net assets (including $513 million, rounded to the nearest million, of such loans securitized through the issuance of Ginnie Mae securities and Fannie Mae securities held in the General Fund) was outstanding. See Appendix B for data on single family mortgage loans held in the General Fund.

Information Security

As a lender, loan servicer, employer and administrator of certain government programs, the Authority expects to be a target for criminals. If someone gained unauthorized access to an Authority network or property, they could possibly steal, improperly use, destroy or lock up its networks, property or data and if someone successfully deceived an Authority employee, they could steal money or information from the Authority by manipulating the employee. Such crimes could result in financial liability or losses, as well as damage to the Authority's reputation, and would be expected to adversely impact the Authority's financial position. The Authority has implemented an information security program to detect and prevent, as much as possible, such crimes.

Climate Change

Scientists and research institutions around the world have concluded average temperatures will rise over the coming decades on into the next century. Even without knowing precisely how high it will go or how fast it will rise, the consensus amongst these researchers is this rise in average temperatures will significantly impact the world's environment. A number of the possible consequences of the rise in average temperatures could adversely impact the Authority's income because they could result in lower incomes and higher expenses for the Authority's borrowers. The following examples are just a few possible consequences of the predicted rise in average temperatures: A rise in seawater temperatures could damage Virginia's seafood industry by dramatically changing the habitat and health of its seafood; Virginia's agriculture industry could be damaged by a rise in sea levels increasing the salinity of ground water and eroding soil, and by droughts or other extreme weather directly damaging crops, livestock, buildings and transportation systems; Storms, storm surges, and floods could damage Virginia's ports and transportation systems; A continued increase in the number and intensity of hurricanes, tornados and other severe weather could increase insurance rates and taxes as the costs of responding to, and rebuilding after, serious storms continue to rise; More days with extreme heat could increase energy costs and directly damage personal property in Virginia. In addition, it is possible Virginia's economy could suffer if the rise in average temperatures causes enough types of damage in a short amount of time, or if laws intended to slow the rise in average temperatures cause significant disruptions to the normal course of business.

Business Disruption Risk

Certain adverse external events, such as natural disasters, severe weather, pandemics, technological emergencies, riots, acts of war or terrorism or other circumstances, and the efforts of individuals, enterprises and governments to contain and mitigate them, could potentially disrupt the Authority's ability to conduct business. A prolonged disruption in the Authority's business 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 business continuity plan (the "Plan"). The Plan is designed to (i) provide for the continued execution of the mission-essential functions of the Authority with minimal or no disruption in the event that an emergency threatens, interrupts or incapacitates the Authority's operations, (ii) provide Authority leadership with timely direction, control and coordination before, during and after an emergency, and (iii) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. The Plan is reviewed regularly and when necessary. No assurances can be given that the Authority's efforts to mitigate the effects of an emergency will be successful in preventing any and all disruptions to its operations in the event of an emergency.

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

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VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Management's Discussion and Analysis,
Basic Financial Statements and Supplementary Information

June 30, 2025 and 2024

(With Independent Auditors' Reports Thereon)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

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Management of the Virginia Housing Development Authority (Authority) offers readers of its financial report this overview and analysis of the Authority's financial performance for the years ended June 30, 2025 and 2024. Readers are encouraged to consider this information in conjunction with the Authority's basic financial statements, accompanying notes, and supplementary information, which follow this section.

Organization Overview

The Authority is a political subdivision of the Commonwealth of Virginia (Commonwealth), created under the Virginia Housing Development Authority Act (Act) enacted by the General Assembly in 1972, as amended. The Act empowers the Authority to finance the acquisition, construction, rehabilitation, and ownership of affordable housing for homeownership or occupancy by low- or moderate-income Virginians. To raise funds for its mortgage loan operations, the Authority sells tax-exempt and taxable notes and bonds and mortgage-backed securities to investors. The notes, bonds, and other indebtedness of the Authority are not obligations of the Commonwealth, and the Commonwealth is not liable for repayments of such obligations. Furthermore, as a self-sustaining organization, the Authority does not receive operational funding from the Commonwealth. Authority revenues are generated primarily from interest on mortgage loans, mortgage servicing fees, gains from the sale of mortgage-backed securities, program administration fees, and investment income.

The Authority participates in the Government National Mortgage Association (GNMA) Mortgage-backed Securities (MBS) program. Through this MBS program, the Authority issues GNMA securities, which may be held by the Authority or sold to third parties and are backed by pools of mortgage loans. Once securitized, the mortgage loans are no longer assets of the Authority nor pledged to any bond resolution. Each GNMA security represents an undivided ownership interest in a pool of homeownership mortgage loans and carries the full faith and guaranty of the United States (U.S.) government. The GNMA guarantee ensures the owner of the security issued by the Authority receives timely payment of scheduled monthly principal and interest payments at the rate provided by the securities. All mortgage loans under the GNMA MBS program are insured or guaranteed by the Federal Housing Administration (FHA), the U.S. Department of Agriculture's Rural Development agency, or the Veterans Administration.

The Authority also participates in both the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-backed Securities (MBS) programs. The Authority may sell homeownership mortgage loans to either FNMA or FHLMC under their whole loan programs or it may issue FNMA or FHLMC securities backed by homeownership mortgage loans. Such securities may be held by the Authority or sold to third parties. Once securitized, the mortgage loans are no longer assets of the Authority nor pledged to any bond resolution. The guaranty of FNMA and FHLMC ensures the owner of the securities issued by the Authority receives timely payment of scheduled monthly principal and interest payments at the rate provided by the securities.

In addition to its major mortgage loan programs, the Authority also administers, on a fee basis, various other programs related to its lending activities. Such programs include the Housing Choice Voucher (HCV) program, which provides rental subsidies from federal funds, and the federal Low Income Housing Tax Credit (LIHTC) program, which awards income tax credits for the purpose of constructing or acquiring and rehabilitating rental housing projects. The Authority is also the administrator of the Commonwealth's Virginia Housing Opportunity Tax Credit (HOTC) program, which awards state income tax credits to further support low-income housing developments that have received Federal Low Income Housing Tax Credits.

With internally generated funds, the Authority also provides funding for its Resources Enabling Affordable Community Housing (REACH) *Virginia* initiatives, in which grants are made or the interest rates on homeownership or rental housing mortgage loans are subsidized by the Authority, to provide assistance to the elderly, disabled, homeless, and other low to moderate income persons and increase affordable housing opportunities in the Commonwealth. The amount of change in net position each fiscal year used to provide such grants or reduced interest rates on mortgage loans or otherwise subsidize its programs is determined by the Authority's Board of

Commissioners and only after a full financial analysis is made of the Authority's operating results. In fiscal year 2020, to address the growing demand for REACH, the Board of Commissioners approved an increase to REACH for fiscal year 2020 and beyond from 50% to 60%. However, in fiscal year 2023 the Board of Commissioners approved another increase beginning in fiscal year 2025 to increase the REACH from 60% to 75%. The amount of REACH the Authority commits is based on the average of the Authority's change in net position, as unadjusted for the effect of Governmental Accounting Standards Board (GASB) No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, for the preceding three fiscal years' then adding back the amount disbursed in REACH grants from the prior fiscal year, the result of which is then multiplied by the Board approved percentage. The amounts made available to the REACH initiative are subject to periodic review by the Authority of the impact on its financial position. The Authority finances some, but not all, of such subsidized mortgage loans, in whole or in part, with funds under its various bond resolutions or mortgage loan securitization programs.

Financial Statements

The basic financial statements consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows, the Statements of Fiduciary Net Position, the Statements of Changes in Fiduciary Net Position, and the accompanying notes to the basic financial statements.

The *Statement of Net Position* reports all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, presented in order of liquidity and using the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is presented as net position and is displayed in three components: net investment in capital assets; restricted portion of net position; and unrestricted portion of net position. Net position is restricted when external constraints are placed upon their use, such as bond indentures, legal agreements or statutes. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* identifies all the Authority's revenues and expenses for the reporting period, distinguishing between operating and non-operating activities. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through mortgage loan income, investment income, externally funded programs and other revenue sources.

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities. This statement provides information regarding the sources and uses of cash and the change in cash during the reporting period.

The *Statement of Fiduciary Net Position* reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position of pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial position of activities the Authority has stewardship of that are not assets or liabilities of the Authority.

The *Statement of Changes in Fiduciary Net Position* reports the additions and deductions from pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial activities, which include the receipts and disbursements of funds that the Authority has stewardship of but are not included in the Authority's financial activities.

The *Notes to Basic Financial Statements* provide additional information that is essential for understanding financial data that may not be displayed on the face of the financial statements and, as such, are an integral part of the Authority's financial statements.

Financial Highlights

Overview

Fiscal year 2025 has been a stabilizing year, with housing prices, inflation, and interest rates experiencing limited fluctuations. Although housing prices have risen and interest rates are higher than in recent history, the stable economic environment has enabled the Authority to increase its loan production in fiscal year 2025. Homeownership and rental production both grew by 28% compared to fiscal year 2024. Additionally, the stable interest rates have resulted in fewer loans in the Authority's portfolio being paid off, allowing the mortgage portfolio to continue expanding. The Authority continues to fully leverage the mortgage revenue bonds, which enable it to offer more financing options for its homeownership programs. One example of these new options is the Authority's Expanded Limits Program initiative, which has extended access to Virginia Housing programs to repeat homebuyers and more moderate-income homebuyers across the Commonwealth. The initiative also removed the sales price limit overlay from non-bond mortgage programs, creating additional access to homes with sales prices up to the conforming loan limits. Additionally, the Authority continued to support the Commonwealth's housing policy priorities by increasing homeownership opportunities in underserved markets and fostering successful homeownership through homeownership education.

The Authority concluded the Virginia Mortgage Relief Program, funded by the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from the U.S. Department of the Treasury. The program was designed to assist homeowners experiencing financial hardship caused by COVID-19 and to help prevent or ease mortgage delinquencies, defaults, foreclosures, and displacements. It assisted more than 12,000 homeowners, with approximately 90% of these households earning at or below the area median income. In its rental housing program, the Authority has continued to fund developments through the issuance of tax-exempt and taxable bonds, along with increased use of REACH funds to make projects financially feasible. The Authority also offers lending programs that utilize federal Low-Income Housing Tax Credits and Commonwealth Housing Opportunity Tax Credits to provide construction financing alongside permanent mortgage loans, allowing it to offer affordable rental housing within a broader range of income levels, including workforce housing. While the Authority continues to face challenges from uncertainty in the financial markets, its capital acquisition initiatives and loss mitigation practices have enabled it to respond with new lending opportunities and maintain a strong financial position. Additionally, the Authority continued to operate its programs effectively, with its financial position growing by 2.0% over the fiscal year to nearly $3.9 billion in total net position. Both Standard & Poor's Ratings Services (Standard & Poor's) and Moody's Investors Services (Moody's) continue to rate the Authority with an AA+ issuer credit rating and Aa1 general obligation credit rating, respectively.

Year Ended June 30, 2025

Homeownership mortgage loan originations totaled 4,853 loans for nearly $1.4 billion in fiscal year 2025 compared to 4,057 loans for nearly $1.1 billion for fiscal year 2024, an increase of 19.6% in units and 28.1% in dollars of mortgage loans over the prior year's production levels. The increase in year-over-year production was attributed to stabilized and at times, lower interest rates provided by mortgage revenue bond issuances.

As of June 30, 2025, the Authority serviced for itself and for third parties a total of 84,096 first and second homeownership mortgage loans with outstanding balances totaling $10.1 billion. For approximately 35,000 of the mortgage loans serviced for GNMA, FNMA, and FHLMC, the Authority receives an ongoing fee. The outstanding balances of loans serviced increased by $576.8 million or 6.1% and the number of loans serviced increased by 1,780 loans or 2.2%, since June 30, 2024, primarily due to stable interest rates reducing the number of borrowers refinancing and paying off.

In fiscal year 2025, there were 151 homeownership mortgage foreclosures valued at $25.4 million or 0.69% of the Authority's serviced homeownership mortgage loan portfolio, compared to a year ago with 151 foreclosures valued at $22.9 million or 0.83% of the loan amounts. Recovery rates averaging 92.0% represent a decrease of 0.3% over the prior year. Total delinquency rates on the servicing portfolio based on loan count averaged 11.1% for the fiscal

year, compared to 10.6% a year ago. Total delinquency rates on the servicing portfolio based on outstanding mortgage loan balances averaged 10.9% and 10.3% as of June 30, 2025, and 2024, respectively. Delinquencies consist of first mortgage loans over 30 days past due and foreclosures, and bankruptcies.

Financing commitments for 4,549 rental housing units were made during fiscal year 2025, totaling $824.6 million, compared to 3,863 rental housing units totaling $641.7 million for fiscal year 2024. The year-over-year increase in dollars was primarily the result of effective use of the REACH *Virginia* program and stabilizing interest rates and construction costs during the fiscal year.

As of June 30, 2025, the Authority serviced 1,269 rental housing mortgage loans with outstanding balances totaling $5.8 billion. Compared to June 30, 2024, the number of loans in the portfolio increased by 62, while loan balances increased $322.8 million or 5.9%. Delinquency rates based on rental housing portfolio loan count averaged 0.43% and 0.54% for the years ended June 30, 2025 and 2024, respectively. The average delinquency rates based on outstanding mortgage loan balances were 0.77% for fiscal year 2025 compared to 0.77% for fiscal year 2024.

Year Ended June 30, 2024

Homeownership mortgage loan originations totaled 4,057 loans for nearly $1.1 billion in fiscal year 2024 compared to 3,809 loans for $909 million for fiscal year 2023, an increase of 6.5% in units and 16.2% in dollars of mortgage loans over the prior year's production levels. The increase in year-over-year production was attributed to stabilized and at times, lower interest rates provided by mortgage revenue bond issuances.

As of June 30, 2024, the Authority serviced for itself and for third parties a total of 82,316 first and second homeownership mortgage loans with outstanding balances totaling nearly $9.5 billion. For approximately 36,700 of the mortgage loans serviced for GNMA, FNMA, and FHLMC, the Authority receives an ongoing fee. The outstanding balances of loans serviced increased by $391.8 million or 4.3% and the number of loans serviced increased by 1,284 loans or 1.6%, since June 30, 2023, primarily due to rising interest rates reducing the number of borrowers refinancing and paying off.

In fiscal year 2024, there were 151 homeownership mortgage foreclosures valued at $22.9 million or 0.83% of the Authority's serviced homeownership mortgage loan portfolio, compared to a year ago with 204 foreclosures valued at $27.4 million or 1.24% of the loan amounts. Recovery rates averaging 92.3% represent an increase of 4.7% over the prior year, caused by strong home values. Total delinquency rates on the servicing portfolio based on loan count averaged 10.6% for the fiscal year, compared to 10.2% a year ago. Total delinquency rates on the servicing portfolio based on outstanding mortgage loan balances averaged 10.3% and 9.7% as of June 30, 2024, and 2023, respectively. Delinquencies consist of first mortgage loans over 30 days past due and foreclosures and bankruptcies.

Financing commitments for 3,863 rental housing units were made during fiscal year 2024, totaling $641.7 million, compared to 2,848 rental housing units totaling $483.2 million for fiscal year 2023. The year-over-year increase in dollars was primarily the result of effective use of the REACH *Virginia* program and stabilizing interest rates and construction costs during the fiscal year.

As of June 30, 2024, the Authority serviced 1,207 rental housing mortgage loans with outstanding balances totaling $5.5 billion. Compared to June 30, 2023, the number of loans in the portfolio increased by 49, while loan balances increased $527.6 million or 10.6%. Delinquency rates based on rental housing portfolio loan count averaged 0.54% and 0.0% for the years ended June 30, 2024 and 2023, respectively. The average delinquency rates based on outstanding mortgage loan balances were 0.77% for fiscal year 2024 compared to 0.0% for fiscal year 2023.

Financial Analysis of the Authority

Cash is held by the trustees and banks in depository accounts and investments for a variety of purposes, including purchase of homeownership loans for MBS securitization and bond financing, disbursement into rental housing

construction and permanent loans, payment of scheduled debt service, early redemption of bonds, advances required as a servicer GNMA, FNMA and FLHMC securities for forbearance and delinquencies, REACH grant disbursements and general operating expenses. Monies on deposit in banks located in Virginia are collateralized pursuant to the Virginia Security for Public Deposits Act of the Code of Virginia.

The Authority's Investment Policy emphasizes liquidity and preservation of capital. Precautions are taken to minimize the risk associated with investments, including monitoring creditworthiness of the investment, as determined by ratings provided by Standard & Poor's and Moody's, concentration risk, and maturity risk.

The Authority enters into forward sales transactions to hedge interest rate risk related to certain commitments to originate homeownership mortgage loans, particularly when such mortgage loans are expected to be pooled into securities guaranteed by GNMA, FNMA and FHLMC. The Authority does not enter into short sales, forward sales or futures transactions for which a bona fide hedging purpose has not been established.

Mortgage and other loan receivables represent the Authority's principal assets. Mortgage loans are financed through a combination of proceeds of notes and bonds, GNMA, FNMA and FHLMC guaranteed mortgage loan securitizations, HUD Risk-Share and Federal Financing Bank (FFB) financing programs, and net position accumulated since inception. Mortgage loan payments received from mortgagors are used to pay debt service due on outstanding bonds and MBS.

The largest component of the Authority's liabilities is outstanding bonds payable, the majority of which is fixed-rate to maturity dates that may extend into the future as much as forty-three years. The Authority continues to maintain strong long-term ratings of Aa1 from Moody's and AA+ from Standard & Poor's for its general credit rating as well as all bond resolutions other than the Commonwealth Mortgage Bonds resolution, which is rated Aaa and AAA, by Moody's and Standard & Poor's, respectively.

Net position is comprised of net investment in capital assets, restricted, and unrestricted portions of net position. *Net investment in capital assets* represents office buildings, land, furniture and equipment, and vehicles, less the outstanding applicable debt. *The restricted portion of net position* represents either the portion of net position held in trust accounts for the benefit of the respective bond owners, subject to the requirements of the various bond resolutions or a net Other Postemployment Benefit (OPEB) asset created by the OPEB plan net position being greater than the total OPEB liability. *Unrestricted portion of net position* represents a portion of net position that has been designated for a broad range of initiatives, such as administration of the HCV program, support for REACH initiatives, contributions to bond issues, working capital, future operating and capital expenditures, and general financial support to the Authority's loan programs.

Condensed Statements of Net Position

(In millions)

	June 30		
	2025	**2024**	**2023**
Cash and cash equivalents	$ 1,711.9	1,564.1	1,423.0
Investments	1,259.4	1,194.4	819.3
Mortgage loans held for sale	79.6	52.3	178.4
Mortgage and other loans receivable, net	9,128.1	7,937.4	6,789.7
Other assets	171.1	161.3	144.2
Total assets	12,350.1	10,909.5	9,354.6
Deferred outflows of resources	6.0	7.6	11.3

(Continued)

	June 30		
	2025	**2024**	**2023**
Notes and bonds payable, net	7,951.1	6,666.2	5,163.7
Other liabilities	362.2	318.7	350.7
Total liabilities	8,313.3	6,984.9	5,514.4
Deferred inflows of resources	79.7	72.8	66.4
Invested in capital assets, net of related debt	7.9	7.5	8.8
Restricted OPEB asset	19.7	12.6	0.5
Restricted by bond indentures	3,366.0	3,327.4	3,326.9
Unrestricted	569.5	511.9	448.9
Net position	$ 3,963.1	3,859.4	3,785.1

June 30, 2025 Compared to June 30, 2024

Total assets increased $1,440.6 million, or 13.2% from the prior year. Cash and cash equivalents and investments increased $212.8 million, or 7.7% from the prior year, due to increased bond issuance and rental units under construction. Mortgage and other loans receivables, net, and mortgage loans held for sale increased by $1,218.0 million, or 15.2%, primarily because of the return of mortgage revenue bond issuance, which means fewer loans were sold to GNMA, FNMA, and FHLMC to fund the homeownership loan program as well as growth in the rental loan production.

Total liabilities increased $1,328.4 million, or 19.0% from the prior year. Notes and bonds payable increased $1,284.9 million or 19.3%, due primarily to the return of the mortgage revenue bond program, which has led to increased bond issuance. For the year ended June 30, 2025, the Authority issued a total of $1.1 billion of Commonwealth Mortgage bonds and $638.9 million of Rental Housing bonds. Bond principal repayments and redemptions during the year totaled $354.8 million of the Commonwealth Mortgage Bond Group, $3.5 million of the Homeownership Mortgage Bond Group, and $126.3 million of the Rental Housing Bond Group. Proceeds from bond issuance and from GNMA, FNMA, and FHLMC mortgage loan securitizations were the principal sources of funding for mortgage loan originations.

Net position has grown to $3,963.1 million, representing an increase in net position of $103.7 million, and a 2.7% return over the preceding fiscal year. As of June 30, 2025, net position invested in capital assets, net of related debt, was $7.9 million. Net position restricted by OPEB totaled $19.7 million, an increase of $7.1 million from the prior year. Net position restricted by bond resolutions totaled $3,366.0 million, an increase of $38.6 million, or 1.2% from the prior year. Unrestricted net position totaled $569.5 million, an increase of $57.6 million, or 11.3%.

June 30, 2024 Compared to June 30, 2023

Total assets increased $1,555.0 million, or 16.6% from the prior year. Cash and cash equivalents and investments increased $516.2 million, or 23.0% from the prior year, due to increased bond issuance and rental units under construction. Mortgage and other loans receivables, net, and mortgage loans held for sale increased by $1,021.7 million, or 14.7%, primarily because of the return of mortgage revenue bond issuance, which means fewer loans were sold to GNMA, FNMA, and FHLMC to fund the homeownership loan program as well as growth in the rental loan production.

(Continued)

Total liabilities increased $1,470.5 million, or 26.7% from the prior year. Notes and bonds payable increased $1,502.5 million or 29.1%, due primarily to the return of the mortgage revenue bond program, which has led to increased bond issuance. For the year ended June 30, 2024, the Authority issued a total of $1.2 billion of Commonwealth Mortgage bonds and $617.7 million of Rental Housing bonds. Bond principal repayments and redemptions during the year totaled $250.6 million of the Commonwealth Mortgage Bond Group, $3.1 million of the Homeownership Mortgage Bond Group, and $96.7 million of the Rental Housing Bond Group. Proceeds from bond issuance and from GNMA, FNMA, and FHLMC mortgage loan securitizations were the principal sources of funding for mortgage loan originations.

Net position has grown to $3,859.5 million, representing an increase in net position of $74.3 million, and a 2.0% return over the preceding fiscal year. As of June 30, 2024, net position invested in capital assets, net of related debt, was $7.5 million. Net position restricted by OPEB totaled $12.6 million, an increase of $12.1 million from the prior year. Net position restricted by bond resolutions totaled $3,327.4 million, an increase of $0.5 million, or 0.02% from the prior year. Unrestricted net position totaled $511.9 million, an increase of $63.0 million, or 14.0%.

Condensed Statements of Revenues, Expenses and Changes in Net Position

(In millions)

	Year ended June 30		
	2025	**2024**	**2023**
Operating revenues:			
Interest on mortgage and other loans	$ 422.2	340.2	305.1
Investment income	120.4	115.6	84.5
Gain/(Loss) on investments (realized and unrealized)	13.0	(7.3)	(66.3)
Housing Choice Voucher program income	10.3	10.5	9.3
Other operating revenues	75.4	83.0	65.5
Total operating revenues	641.3	542.0	398.1
Operating expenses:			
Interest on notes and bonds payable	285.4	211.1	166.0
Housing Choice Voucher program expense	7.3	9.9	10.7
Other operating expenses	170.7	166.4	148.9
Grant expenses	64.6	50.1	63.7
Provision for loan losses	9.6	30.2	(28.8)
Total operating expenses	537.6	467.7	360.5
Net operating (loss)/income	103.7	74.3	37.6
Non-operating revenues (expenses):			
Pass-through grant revenue	112.1	170.8	230.0
Pass-through grants disbursed	(112.1)	(170.8)	(230.0)
Total non-operating revenues (expenses)	0.0	0.0	0.0
Change in net position	$ 103.7	74.3	37.6

The principal determinants of the Authority's change in net position are operating revenues less operating expenses plus non-operating revenues (expenses), net.

Operating revenues consist primarily of interest earnings on mortgage loans, interest on investments, and realized and unrealized gains and losses from investments. Operating expenses consist predominantly of interest expense

(Continued)

on notes and bonds payable and operating expenses of the Authority. Non-operating revenues and expenses primarily consist of grant funds received and disbursed.

Fiscal Year 2025

Operating revenues increased $99.3 million or 18.3% from the prior year. The primary factors were the increase in interest on mortgage and other loans of $82.0 million or 24.1% caused by an increasing portfolio of mortgage loans, and an increase in gains from investments of $20.3 million, caused by an increase in unrealized gains due to a decrease in interest rates. Operating expenses for the year increased $69.9 million or 14.9% from the prior year. The increase was primarily the result of increases in interest costs and grant expenses, which increased $74.3 million and $14.5 million, respectively, from the prior year, because of increased bond issuance and growth in the portfolio of mortgage loans. Non-operating activity decreased $58.7 million or 34.4% as the Virginia Mortgage Relief Program ended in fiscal year 2024.

Fiscal Year 2024

Operating revenues increased $143.9 million or 36.1% from the prior year. The primary factors were the increase in interest on mortgage and other loans of $35.1 million or 11.5% caused by an increasing portfolio of mortgage loans, and the increase in investment income of $31.1 million or 36.8% caused by increased interest rates and a larger investment portfolio. Operating expenses for the year increased $107.2 million, or 29.7% from the prior year. The increase was primarily the result of increases in interest costs and the provision for loan losses, which increased $45.1 million and $59.0 million, respectively, from the prior year, because of increased bond issuance and growth in the portfolio of mortgage loans experiencing slightly increasing delinquency and vacancy rates. Non-operating activity decreased $59.2 million or 25.7% as the Virginia Mortgage Relief Program ended during fiscal year 2024.

Other Economic Factors

The Authority's mortgage loan financing activities are sensitive to the general level of involvement of the federal government in the housing and capital markets, the general level of interest rates, the interest rates and other characteristics of the Authority's mortgage loans compared to mortgage loan products available in the mortgage loan market, and the supply of available affordable housing in the Commonwealth. The availability of long-term tax-exempt and taxable financing on favorable terms and the ability to securitize loans through GNMA, FNMA, and FHLMC are key elements in providing the funding necessary for the Authority to continue its mortgage loan financing activities.

The Authority's main sources of revenues include mortgage loan interest, gains on the sale of mortgage loans, and mortgage servicing fees. The Authority's non-mortgage loan investment portfolio generally consists of marketable securities bearing short-term maturities. The one-month Daily Treasury rates have decreased to 4.28% in June 2025 from 5.47% in June 2024.

Delinquency and foreclosure rates in the homeownership loan portfolio, and to a lesser extent, the rental housing loan portfolio, are influenced by unemployment and underemployment. Virginia's seasonally adjusted unemployment rate was 3.5% and 2.7% in June 2025 and 2024, respectively. Virginia underemployment rates, which include those no longer seeking employment and those employed only part-time who desire full-time work, were 7.2% and 5.6% in the fiscal year ended June 30, 2025 and 2024, respectively.

Additional Information

Questions about this report or additional information can be obtained by visiting the Authority's website, www.virginiahousing.com, or contacting the Capital Markets Division of the Authority.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Virginia Housing Development Authority
Richmond, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Virginia Housing Development Authority (the Authority), a component unit of the Commonwealth of Virginia, as of and for the years ended June 30, 2025 and 2024 (except for the Retiree Health Care Plan fiduciary fund, which is as of and for the years ended December 31, 2024 and 2023), and the related notes to the financial statements, which collectively comprise the Virginia Housing Development 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 business-type activities and the fiduciary activities of the Virginia Housing Development Authority, as of June 30, 2025 and 2024 (except for the Retiree Health Care Plan fiduciary fund, which is as of and for the years ended December 31, 2024 and 2023), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Management's Discussion and Analysis, Retiree Healthcare Plan – Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios, and the Retiree Healthcare Plan – Schedule of Contributions (collectively, the Required Supplementary Information)] 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.

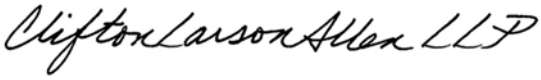
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Combing Schedule of Net Position - June 30, 2025 and 2024, Combining Schedule of Revenues, Expenses, and Changes in Net Position – Year Ended June 30, 2025 and 2024, Combining Schedule of Fiduciary Net Position – Fiduciary Funds – Custodial Funds - June 30, 2025 and 2024, and the Combining Schedule of Changes in Fiduciary Net Position – Fiduciary Funds – Custodial Funds – Year ended June 30, 2025 and 2024 (collectively, the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Virginia Housing Development Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 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 Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Arlington, Virginia
September 9, 2025

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
June 30, 2025 and 2024

		2025	2024
Assets			
Current assets:			
Cash and cash equivalents (note 5)	$	1,711,864,059	1,564,112,073
Investments (note 5)		619,373,000	488,266,750
Interest receivable – investments		26,671,229	28,127,241
Mortgage loans held for sale (note 1)		79,589,598	52,347,248
Mortgage and other loans receivable, net (note 4)		201,686,802	180,742,640
Interest receivable – mortgage and other loans		34,296,944	28,816,301
Other real estate owned (note 1)		6,291,656	4,022,024
Other assets		16,285,002	16,694,613
Total current assets		2,696,058,290	2,363,128,890
Noncurrent assets:			
Investments (note 5)		640,033,109	706,127,055
Mortgage and other loans receivable (note 4)		9,078,546,125	7,899,723,392
Less allowance for loan loss (note 1)		152,080,775	143,123,378
Mortgage and other loans receivable, net		8,926,465,350	7,756,600,014
Capital Assets, net of accumulated depreciation and amortization of $69,246,751 and $73,109,731 respectively (note 6)		32,952,251	27,489,803
Mortgage servicing rights, net (note 1)		17,466,412	26,601,200
Other assets		37,155,327	29,597,420
Total noncurrent assets		9,654,072,449	8,546,415,492
Total assets		12,350,130,739	10,909,544,382
Deferred outflows of resources			
Other postemployment benefits - change in assumptions (note 16)		1,374,522	1,627,852
Other postemployment benefits - difference between expected and actual experience (note 16)		4,655,454	5,393,161
Other postemployment benefits - difference between projected and actual earning (note 16)		-	585,200
Total deferred outflows of resources		6,029,976	7,606,213

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Net Position

June 30, 2025 and 2024

		2025	2024
Liabilities			
Current liabilities:			
Notes and bonds payable (note 9)	$	704,729,940	591,011,310
Accrued interest payable on notes and bonds		77,190,041	55,668,945
Escrows (note 11)		50,997,689	37,001,478
Federal grant awards held (note 1)		1,334,590	4,670,946
Derivative instruments (note 12)		575,152	104,711
Accounts payable and other liabilities		49,245,741	39,111,975
Total current liabilities		884,073,153	727,569,365
Noncurrent liabilities:			
Bonds payable, net (note 9)		7,246,362,212	6,075,149,726
Project reserves (notes 11 and 17)		127,712,700	131,865,677
Loan participation payable to Federal Financing Bank (note 10)		32,316,895	33,186,655
Other liabilities (notes 15 and 17)		22,862,578	17,095,765
Total noncurrent liabilities		7,429,254,385	6,257,297,823
Total liabilities		8,313,327,538	6,984,867,188
Deferred inflows of resources			
Deferred fees and points on multifamily loans (note 1)		66,611,196	64,341,678
Other postemployment benefits - change in assumptions (note16)		430,519	508,695
Other postemployment benefits - difference between expected and actual experience (note 16)		9,812,467	7,961,316
Other postemployment benefits - difference between projected and actual earning (note 16)		2,873,277	-
Total deferred inflows of resources		79,727,459	72,811,689
Net position			
Net investment in capital assets (notes 1 and 14)		7,885,392	7,576,449
Restricted OPEB asset (note 16)		19,680,411	12,601,297
Restricted by bond indentures (notes 1 and 14)		3,366,000,473	3,327,419,188
Unrestricted (notes 1 and 14)		569,539,442	511,874,784
Total net position	$	3,963,105,718	3,859,471,718

See accompanying notes to the financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Revenues, Expenses, and Changes in Net Position

June 30, 2025 and 2024

		2025	2024
Operating revenues:			
Interest on mortgage and other loans receivable	$	422,191,171	340,234,026
Investment earnings:			
Investment income (notes 1, 5 and 13)		120,386,722	115,652,210
Realized loss on investments		(3,003)	(29,686)
Unrealized gain (loss) on investments (notes 1 and 5)		13,021,683	(7,304,221)
Housing Choice Voucher program administrative income (note 1)		10,254,976	10,510,743
Gains and recoveries on sale of other real estate owned		782,412	1,350,468
Gains on sale of single family mortgage loans		9,542,314	8,959,056
Mortgage servicing fees net of guaranty fees		41,263,706	41,945,145
Tax credit program fees earned		12,034,028	11,393,590
Other		11,810,258	19,296,940
Total operating revenues		641,284,267	542,008,271
Operating expenses:			
Interest on notes and bonds payable		285,379,243	211,115,217
Salaries and related employee benefits (notes 15 and 16)		86,088,065	82,379,072
General operating expenses		38,050,034	40,959,718
Note and bond expenses		1,363,629	1,766,623
Bond issuance expenses		9,921,405	9,473,935
Grant expenses		64,661,005	50,056,555
Housing Choice Voucher program expenses (note 1)		7,287,445	9,898,309
Mortgage servicing rights amortization and other servicing costs		33,800,617	30,219,254
Losses on other real estate owned (note 1)		1,465,837	1,660,582
Provision for loan losses (note 1)		9,632,987	30,154,584
Total operating expenses		537,650,267	467,683,849
Operating income		103,634,000	74,324,422
Nonoperating revenues (expenses):			
Pass-through grant awards (note 1)		112,112,431	170,785,271
Pass-through grants expenses (note 1)		(112,112,431)	(170,785,271)
Total nonoperating revenues, net		-	-
Change in net position		103,634,000	74,324,422
Total net position, beginning of year		3,859,471,718	3,785,147,296
Total net position, end of year	$	3,963,105,718	3,859,471,718

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Cash Flows
June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash payments for mortgage and other loans	$ (1,967,523,684)	(1,899,212,391)
Principal repayments on mortgage and other loans	484,691,708	448,406,887
Sale of mortgage loans	243,171,356	389,520,612
Interest received on mortgage and other loans	414,897,781	334,700,718
Pass-through grant awards received	108,776,075	90,749,701
Pass-through grant awards disbursed	(110,975,512)	(165,488,903)
Grant administrative fees received	1,173,578	7,552,283
Housing Choice Voucher payments received	9,852,997	13,067,779
Housing Choice Voucher payments disbursed	(9,698,764)	(12,817,804)
Escrow and project reserve payments received	333,358,787	289,995,836
Escrow and project reserve payments disbursed	(323,515,551)	(265,545,494)
Other operating revenues	83,708,417	81,509,805
Cash received for loan origination fees and loan discounts	14,202,243	8,276,659
Cash paid for loan origination fees and loan premiums	(5,719,219)	(4,378,445)
Cash payments for salaries and related benefits	(86,578,430)	(83,847,808)
Cash payments on grants	(64,661,005)	(50,056,556)
Cash payments for general operating expenses	(23,661,008)	(33,827,407)
Cash payments for servicing release premiums and guaranty fees	(34,775,653)	(30,099,677)
Proceeds from sale of other real estate owned	10,480,961	11,507,171
Net cash used in operating activities	(922,794,923)	(869,987,034)
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	1,771,395,000	1,907,720,000
Principal payments on notes and bonds	(486,584,269)	(405,455,327)
Principal payments on loan participation - FFB	(869,760)	(835,423)
Interest payments on notes and bonds	(263,737,757)	(190,656,345)
Cash payments for bond issuance expenses	(9,921,405)	(9,473,935)
Net cash provided by noncapital financing activities	1,010,281,809	1,301,298,970
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(3,024,715)	(1,063,126)
Lease payments	(863,291)	(760,802)
Subscription-based information technology payments	(6,133,863)	(5,124,465)
Net cash used in capital and related financing activities	(10,021,869)	(6,948,393)
Cash flows from investing activities:		
Purchases of investments	(615,503,993)	(497,089,997)
Proceeds from sales or maturities of investments	563,947,821	115,168,423
Interest received on investments	121,843,141	98,676,227
Net cash provided by/(used in) investing activities	70,286,969	(283,245,347)
Net increase in cash and cash equivalents	147,751,986	141,118,196
Cash and cash equivalents, at beginning of year	1,564,112,073	1,422,993,877
Cash and cash equivalents, at end of year	$ 1,711,864,059	1,564,112,073

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Cash Flows
June 30, 2025 and 2024

		2025	2024
Reconciliation of operating income to net cash used in operating activities:			
Operating income	$	103,634,000	74,324,422
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:			
Depreciation of property, furniture, and equipment		2,169,950	3,293,629
Amortization of right to use asset		5,790,467	6,537,224
Bond issuance costs		9,921,405	9,473,935
Investment earnings		(133,405,402)	(108,318,303)
Interest on notes and bonds payable		285,379,243	211,115,217
(Increase)/decrease in mortgage loans held for sale		(27,242,350)	126,013,863
Increase in mortgage and other loans receivable		(1,199,766,895)	(1,177,188,186)
Increase in allowance for loan loss		8,957,397	29,565,810
Increase in interest receivable – mortgage and other loans		(5,480,643)	(4,272,038)
(Increase)/decrease in other real estate owned		(2,269,632)	1,037,084
Decrease in mortgage servicing rights		9,134,788	10,233,796
Increase in other assets		(7,148,296)	(15,644,333)
Decrease in deferred outflows of resources		1,576,237	3,651,925
Increase in deferred inflows of resources		6,915,770	6,383,764
Decrease in Federal funds held		(3,336,356)	(80,035,571)
Increase in accounts payable and other liabilities		12,499,578	10,038,330
Increase in escrows and project reserves		9,875,816	23,802,398
Net cash used in operating activities	$	(922,794,923)	(869,987,034)
Supplemental disclosure of noncash activity:			
Increase in other real estate owned as a result of loan foreclosures	$	12,169,872	9,545,211

See accompanying notes to the financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Statements of Fiduciary Net Position
Fiduciary Funds
June 30, 2025 and 2024

	2025		2024	
	Retiree Health Care Plan*	Custodial Funds	Retiree Health Care Plan*	Custodial Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 4,204	91,723,613	3,185	77,724,674
Interest receivable - investments	-	151,685	-	171,224
Interest receivable - mortgage and other loans	-	195,150	-	164,804
Other assets	-	213	-	213
Total current assets	4,204	92,070,661	3,185	78,060,915
Noncurrent assets:				
Mortgage and other loans receivable	-	1,654,120	-	2,177,870
Investments	66,569,027	-	58,421,425	-
Total noncurrent assets	66,569,027	1,654,120	58,421,425	2,177,870
Total assets	66,573,231	93,724,781	58,424,610	80,238,785
LIABILITIES				
Accounts payable	1,031,407	-	970,733	-
Other liabilities	-	9,720,031	-	16,296,376
Total liabilities	1,031,407	9,720,031	970,733	16,296,376
NET POSITION				
Restricted for:				
Other postemployment benefit plan other than pension	65,541,824	-	57,453,877	-
Funds held in escrow	-	78,005,910	-	58,191,687
Other governmental agency	-	5,998,840	-	5,750,722
Total Net Position	$ 65,541,824	84,004,750	57,453,877	63,942,409

*December 31, 2024 and 2023 year-end, see note 16
See accompanying notes to the financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Statements of Changes in Fiduciary Net Position
Fiduciary Funds
Years ended June 30, 2025 and 2024

	2025		2024	
	Retiree Health Care Plan*	Custodial Funds	Retiree Health Care Plan*	Custodial Funds
ADDITIONS				
Contribution:				
Borrower payments	$ -	1,754,587,838	-	1,599,983,911
Employers	1,686,116	-	3,041,195	-
Total Contributions	1,686,116	1,754,587,838	3,041,195	1,599,983,911
Investment earnings:				
Net increase in fair value of investments	1,383,481	-	3,030,056	-
Interest, dividends, and other	1,719,457	2,733,191	1,537,423	2,310,866
Securities lending income gain on sales	4,516,416	-	1,825,238	-
Total investment earnings	7,619,354	2,733,191	6,392,717	2,310,866
Total additions	9,305,470	1,757,321,029	9,433,912	1,602,294,777
DEDUCTIONS				
Benefits paid to participants or beneficiaries	1,031,407	-	970,733	-
Other governmental agency	-	1,961,323	-	1,600,644
Disbursement of escrow funds	-	1,734,773,615	-	1,617,127,705
Disbursements to DHCD	-	500,000	-	525,000
Administrative expense	186,116	23,750	181,195	26,932
Total deductions	1,217,523	1,737,258,688	1,151,928	1,619,280,281
Net increase/(decrease) in fiduciary net position	8,087,947	20,062,341	8,281,984	(16,985,504)
Net position - beginning of year	57,453,877	63,942,409	49,171,893	80,927,913
Net position - end of year	$ 65,541,824	84,004,750	57,453,877	63,942,409

*December 31, 2024 and 2023 year-end, see note 16
See accompanying notes to the financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Virginia Housing Development Authority (Authority) was created under the Virginia Housing Development Authority Act, as amended (Act), enacted by the 1972 Session of the Virginia General Assembly. The Act empowers the Authority, among other authorized activities, to finance the acquisition, construction, rehabilitation and ownership of housing intended for occupancy or ownership, or both, by families of low or moderate income. Mortgage loans are generally financed by the proceeds of notes, bonds, or other debt obligations of the Authority or by Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) guaranteed mortgage-backed securities (see Note 1 (g)). The notes, bonds and other debt obligations do not constitute a debt or grant or line of credit of the Commonwealth of Virginia (Commonwealth), and the Commonwealth is not liable for the repayment of such obligations.

For financial reporting purposes, the Authority is a component unit of the Commonwealth. The accounts of the Authority, along with other component units, are combined to form the component units of the Commonwealth. The Authority reports all its activities as a single enterprise fund, in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). See Note 2 for further discussion.

(b) Measurement Focus and Basis of Accounting

The Authority utilizes the economic resources measurement focus and accrual basis of accounting in preparing its basic financial statements, where revenues are recognized when earned and expenses when incurred. The accounts are organized on the basis of funds and groups of funds, which are set up in accordance with the Act and the various note and bond resolutions.

(c) Use of Estimates

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and judgments that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosures of contingencies at the date of the basic financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

(d) Fair Value Hierarchy

Fair value measurements not valued at net asset value using the practical expedient are categorized into a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset. Classification of assets within the hierarchy considers the markets in which assets are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available.

The levels of the hierarchy are defined as follows:

- Level 1 - Valuation is based on quoted prices (unadjusted) for identical assets in an active market.

- Level 2 - Valuation is based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and assets valued based on observable market data and market-corroborated inputs for similar instruments.

- Level 3 - Valuation is based upon various techniques that use assumptions that are not observable in the market and are significant to the fair value measurement.

In determining which hierarchy level a financial instrument is classified, the Authority considers all available information, including observable market data and indications of market liquidity. Assets and liabilities that are valued at fair value on a recurring basis include investments and derivative instruments. Assets that are measured on a non-recurring basis include other real estate owned and mortgage loans held for sale, as these are carried at the lower of cost or fair value.

(e) Investments

Investments include various debt and asset-backed securities, which are reported at fair value in the Statements of Net Position, with changes in fair value recognized separately as unrealized gains or losses on investments in the Statements of Revenues, Expenses, and Changes in Net Position. The fair value of the debt securities and asset-backed securities is derived from management's review of third-party pricing services that use various models that are based on quoted market prices when available or on adjusted values in relation to observable prices on similar investments. If investments are sold, then the resulting realized gains or losses are reported separately in the Statements of Revenues, Expenses, and Changes in Net Position.

(f) Derivative Instruments

Forward sales securities commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At June 30, 2025, the Authority had outstanding 38 forward sales transactions with a $119.4 million book value with four counterparties with concentrations and ratings (Standard & Poor's, Moody's Investors Service) as shown in Note 12. At June 30, 2024, the Authority had outstanding 36 forward sales transactions with a $101.2 million book value with five counterparties with concentrations and ratings (Standard & Poor's, Moody's Investors Service). The 2025 forward sales contracts will settle by August 20, 2025. These contracts are treated as investments in derivative instruments and the change in fair value is reported on the Statement of Revenues, Expenses, and Changes in Net Position as unrealized gain (loss) on investments.

(g) Mortgage Loans Held for Sale

The Authority is an authorized issuer of GNMA, FNMA, and FHLMC Mortgage-Backed Securities (MBS). Through the MBS programs, GNMA, FNMA, and FHLMC guarantee securities that are backed by pools of mortgage loans originated or purchased by the Authority. These mortgage loan securitizations are treated as sales for accounting and reporting purposes. Upon the sale, the Authority no longer recognizes the mortgage loans receivable in the Statements of Net Position.

Mortgage loans originated or acquired with the intent to sell through the MBS programs are carried at the lower of cost or fair value. The fair values of the loans are based on observable market prices for similar instruments traded on the secondary mortgage loan markets. The Authority's portfolio of mortgage loans held for sale is classified as Level 2 in the fair value hierarchy. Any gains or losses on loan sales are reported in the Statements of Revenues, Expenses, and Changes in Net Position.

(h) Mortgage and Other Loans Receivable

Mortgage and other loans receivable are stated at their unpaid principal balance, net of premiums and discounts and an allowance for loan losses. Pricing premiums and discounts are deferred and

amortized, using the interest method, over the contractual life of the loans as an adjustment to yield. The interest method is computed on a loan-by-loan basis, and any unamortized premiums and discounts on loans fully repaid are recognized as income in the year in which such loans are repaid.

(i) Allowance for Loan Losses

The Authority provides for expected losses when a specific need for an allowance is identified. The provision for loan losses charged or credited to operating expense is the amount necessary, in management's judgment, to maintain the allowance at a level it believes sufficient to cover losses in the collection of its mortgage loans. Estimates of future losses involve the exercise of management's judgment and assumptions with respect to future conditions. The principal factors considered by management in determining the adequacy of the allowance are the composition of the loan portfolio, historical loss experience and delinquency statistics, the value and adequacy of collateral, and economic conditions.

The allowance for loan losses increased by $8,957,397 for the year ended June 30, 2025 and increased by $29,565,810 for the year ended June 30, 2024.

	Year ended June 30	
	2025	**2024**
Beginning balance, July 1	$ 143,123,378	113,557,568
Provision:		
Homeownership	6,183,594	2,720,499
Rental Housing	3,449,393	27,434,085
Provision	9,632,987	30,154,584
Net (charge-offs)/recoveries:		
Homeownership	(675,590)	(588,774)
Rental Housing	-	-
Net charge-offs	(675,590)	(588,774)
Net change	8,957,397	29,565,810
Ending balance, June 30	$ 152,080,775	143,123,378

(j) Mortgage servicing rights

The Authority pays mortgage servicing release premiums when purchasing homeownership mortgage loans from participating lenders. These premiums are capitalized at cost and amortized on a loan-by-loan basis over the estimated life of the related mortgage loans using the sum-of-years-digits method. Mortgage servicing rights are recorded when those mortgage loans are securitized through either GNMA, FNMA or FHLMC, and the Authority remains the servicer of the loans. The estimated life is determined to be 7 years.

(k) Other Real Estate Owned

Other real estate owned represents current investments in homeownership dwellings and rental housing developments, acquired primarily through foreclosure, and is stated at the lower of cost or fair value less estimated disposal costs. On a non-recurring basis, fair values of the real properties are

assessed by comparing them to similar properties. The Authority's portfolio of real estate owned is classified as a Level 2 in the fair value hierarchy. Gains and losses from the disposition of other real estate owned are reported separately in the Statements of Revenues, Expenses, and Changes in Net Position.

(l) Capital Assets

Capital assets are capitalized at cost, and depreciation is provided on the straight-line basis over the estimated useful lives, which are 30 years for buildings, and from 3 to 10 years for furniture and equipment, and 5 years for vehicles. The capitalization threshold for property, furniture, and equipment is $1,000.

(m) Leases and Subscription-Based Information Technology Arrangements

On July 1, 2018, the Authority entered into an agreement to lease an office building. In June of 2022, the Authority reassessed the lease terms and decided to exercise the option to extend the lease agreement, which resulted in an increase to the lease liability. On August 26, 2024, the Authority entered into a lease agreement for office space commencing on April 1st, 2025. This lease replaces the existing office space lease that is set to expire on September 8, 2025. The lease asset is reported as a capital asset, net of accumulated amortization, and as a current and non-current lease liability. Both the lease asset and lease liability are reported in the Statement of Net Position. Leasehold improvements are capitalized and amortized over the remaining life of the lease term. Further disclosure for the building lease is discussed in Note 8.

As of July 1, 2022, the Authority adopted GASB 96 – Subscription-Based Information Technology Arrangements (SBITA), which provides new accounting guidance for contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, for a specified period of time. The Authority reviewed all active contracts and subscription arrangements to verify those that meet the criteria for being a SBITA. During the evaluation, the Authority determined that a materiality threshold of $15,000 was appropriate to use as a cutoff for arrangements that would create a financial impact. The contracts and arrangements identified as SBITA's for the Authority ranged from software-based systems used in the processing of mortgage loans, mortgage payments, internal learning applications, construction management, and human resources software. The liability was calculated using the present value of future payments using a discount rate based on the incremental borrowing rate of the debt.

The new guidance requires that these contracted arrangements be treated as a right to use asset with a corresponding subscription liability. The right to use asset is included with capital assets and may include implementation costs to be amortized over the term of the contract once placed into service. The liability is initially measured at the present value of the subscription payments expected to be made during the subscription term. The liability is included with Accounts Payable and other liabilities for the discounted payments expected to be made in the next year; the remainder is included with the other liabilities as a noncurrent liability. Further disclosures of the Authority's SBITA are available in Note 7.

(n) Bond Issuance Expense

Bond issuance costs are expensed in the period incurred.

(o) Notes and Bonds Payable

Notes and bonds payable are stated at their unpaid balance less any unamortized premiums or discounts. Bond premiums and discounts are amortized over the lives of the issues using the interest method. The Authority generally has the right to specially redeem bonds, without premium, upon the occurrence of certain specified events, such as the prepayment of a mortgage loan. The Authority also

has the right to optionally redeem the various bonds. The optional redemptions generally cannot be exercised until the bonds have been outstanding for approximately ten years. All issues generally have term bonds, which are subject to partial redemption, without premium, from mandatory sinking fund installments.

(p) Retirement Plans and Other Postemployment Benefit Plans

The Authority has three defined contribution retirement savings plans covering substantially all employees. Retirement expense is fully funded as incurred. To the extent terminating employees are less than 100% vested in the Authority's contributions, the unvested portion is forfeited and redistributed to the remaining participating employees.

The Authority also provides postretirement healthcare benefits administered through a trust under a defined benefit plan to all employees who have met the years of service requirement and who retire from the Authority on or after attaining age 55 or become permanently disabled. Effective for the plan year ended December 31, 2017, the Plan adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* and the Authority adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. For purposes of measuring the net OPEB liability (asset), deferred outflows or inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Virginia Housing Development Authority Retiree Health Care Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms of the Plan. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost, which approximates fair value.

(q) Compensated Absences

Authority employees are granted different types of leave pay in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination, or death, may be compensated for certain amounts at their then-current rates of pay. In June 2022, GASB issued updated guidance on recognizing and measuring compensated absences, GASB #101 Compensated Absences, which is effective for periods beginning after December 15, 2023. The amount of leave pay recognized as an expense is the amount earned each year for the different types of leave that fall under GASB #101 guidance.

(r) Related Party Transactions

The Authority provides split-dollar life insurance as a form of compensation to retain talented key associates.

(s) Pass-Through Revenues and Expenses

U.S. Department of Housing and Urban Development – Tenant Based Section 8

The Authority serves as an administrator for the U.S. Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Voucher program, consisting of the voucher program as well as other tenant-based assistance programs. The Authority requisitions Section 8 funds, makes disbursements of funds to eligible participants, and recognizes administrative fee income. Program income and program expenses that are recognized as pass-through grants based upon the amount of allowable Housing Assistance Payments (HAP) disbursements totaled $109,963,261 and $98,168,014 during the years ended June 30, 2025 and 2024, respectively.

Excess HAP or administrative funds disbursed to the Authority were recorded as a liability in the Statements of Net Position. The cumulative excess of HAP funds totaled $149,729 and $138,231 as of June 30, 2025, and 2024, respectively. Cumulative excess administrative funds totaled $5,011,222 and $3,854,500 as of June 30, 2025, and 2024, respectively. HUD monitors the utilization of these excess funds and adjusts funding levels prospectively to ensure all funds are being used to serve families up to the maximum number of vouchers authorized for the program.

U.S. Department of Housing and Urban Development – Housing Counseling Assistance Program

The Authority serves as an administrator for HUD-approved Housing Counseling Agencies in the Commonwealth. The Housing Counseling Assistance Program provides counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The Authority did receive pass-through grants of $1,017,885 and $835,889 during the years ended June 30, 2025 and 2024, respectively.

U.S. Department of the Treasury – Homeowner Assistance Fund

The Authority serves as the recipient of U.S. Department of the Treasury funds to support the Homeowner Assistance Fund. The program provided financial assistance to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020.

During the years ended June 30, 2025 and 2024, the Authority disbursed Homeowner Assistance Fund grants of $1,131,285 and $71,781,368, respectively. For its support of the program, the Authority earned $1,173,578 and $7,552,283 in administrative fees during the years ended June 30, 2025 and 2024, respectively. In August of 2025, the Authority concluded the Homeowner Assistance Fund.

(t) Commonwealth Priority Housing Fund, Housing Trust Fund, & National Housing Trust Fund

The Commonwealth Priority Housing Fund (Fund), established by the 1988 Session of the Virginia General Assembly, uses funds provided by the Commonwealth in that Session to make loans and grants for a wide variety of housing initiatives. The Virginia Department of Housing and Community Development (DHCD) develops the program guidelines, and the Authority acts as administrator for the Fund.

The Housing Trust Fund (Trust Fund), established by the 2013 Session of the Virginia General Assembly, uses funds provided by the Commonwealth in that Session to make loans and grants for a wide variety of housing initiatives. DHCD develops program guidelines, and the Authority acts as administrator for the Trust Fund.

The National Housing Trust Fund (National Trust) is a federal fund established through the Housing and Economic Recovery Act of 2008. It exclusively aims to help build, preserve, rehabilitate, and operate housing that is affordable to people with the lowest incomes. DHCD administers the program through the Affordable and Special Needs Housing application process.

In accordance with GASB Statement No. 84, *Fiduciary Activities,* the Commonwealth Priority Housing Fund, Housing Trust Fund and National Housing Trust Fund are accounted for as fiduciary activities and disclosed on the Authority's Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position.

(u) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid short-term instruments with original maturities of three months or less from the date of purchase and are recorded at amortized cost. These include commercial paper, repurchase agreements, money-market securities, and other short-term instruments.

(v) Rebatable Arbitrage

Rebatable arbitrage involves the investment of proceeds from the sale of tax-exempt debt in a taxable investment that yields a higher rate than the rate of the debt. This results in investment income in excess of interest costs. Federal law requires such income to be rebated to the U.S. government if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued. Arbitrage must be calculated, reported, and paid every five years or at maturity of the debt, whichever is earlier. For financial reporting purposes, the potential liability is calculated annually, see Note 13.

(w) Statements of Net Position

The assets presented in the Statements of Net Position represent the total of similar accounts of the Authority's various groups (see Note 2). Since the assets of certain groups are restricted by the related debt resolutions, the total does not indicate that the combined assets are available in any manner other than that provided for in the resolutions for the separate groups. When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first and thereafter, unrestricted resources as needed.

(x) Operating and Nonoperating Revenues and Expenses

The Authority's Statements of Revenues, Expenses, and Changes in Net Position distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally arise from financing the acquisition, investments, construction, rehabilitation, and ownership of housing intended for occupancy and ownership by families of low or moderate income. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(y) Deferred Outflows of Resources and Deferred Inflows of Resources

The Authority reports deferred outflows of resources and deferred inflows of resources on its Statements of Net Position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. See Note 16 for further discussion regarding deferred outflows of resources and deferred inflows of resources associated with the Authority's other postemployment benefits plan.

(z) Deferred Fees and Points on Multifamily Loans

During the rental housing origination process, fees are collected during the loan closing process. Origination type fees are reported as income in the current year collected; however, the fees related to loan pricing are treated as points and deferred over the life of the loan.

(aa) Federal Grant Awards Held

Since fiscal year 2021, the Authority has held federally awarded funds to support three specific programs: the Emergency Rental Assistance program, the Coronavirus Relief Fund program, and the Homeowner Assistance Fund program. As of June 30, 2025, the Emergency Rental Assistance and Coronavirus Relief Fund programs have ended and were fully disbursed. The remaining funds are from the Homeowner Assistance Fund and will be returned to the U.S. Treasury.

(bb) REACH and Grant Expenses

The Authority developed the Resources Enabling Affordable Community Housing (REACH) *Virginia* program to use internally generated funds to provide grants and subsidize mortgage loans to assist the elderly, disabled, homeless, and other low-income persons and increase affordable housing opportunities in the Commonwealth. The amount of REACH *Virginia* the Authority commits is based on the average of the Authority's change in net position, as unadjusted for the effect of Governmental Accounting Standards Board (GASB) No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, for the preceding three fiscal years then the amount disbursed as grants is added back with the result then being multiplied by a Board approved percentage currently set a 75%. The amount made available to the REACH *Virginia* initiative is subject to periodic review by the Authority depending on the impact on its financial position. As of June 30, 2025, the Authority had outstanding REACH *Virginia* grant commitments of $65.8 million.

The Authority provides several different types of grants, which are reflected on the financial statements as operating expenses and include but are not limited to, down payment assistance grants, accessibility grants, network capacity support grants, and community market support grants. Most of these grants are conditional and are only paid based on a loan closing or for reimbursement for a supportive housing expense incurred by a grantee. In fiscal year 2025, the Authority had grant expenses of $64.7 million. In fiscal year 2024, the Authority had grant expenses of $50.1 million.

(cc) Reclassifications

Certain reclassifications have been made to the other, net line of the nonoperating revenues (expenses) section of the Statements of Revenues, Expenses, and Changes in Net Position June 30, 2024, financial statements to conform to the June 30, 2025, presentation. Other net amounts have been moved to the other line under the operating revenues section on the Statements of Revenues, Expenses, and Changes in Net Position. This reclassification will also affect the June 30, 2024, Statements of Cash Flows in order to conform to the June 30, 2025, presentation.

Additionally, reclassifications were made to the Statement of Changes in Fiduciary Net Position for June 30, 2025, with the addition of the Disbursement to DHCD line under the deductions section. This change affects the June 30, 2024, Statement of Changes in Fiduciary Net Position to conform to the June 30, 2025, presentation.

(2) Basis of Presentation

The accounts of the Authority are presented in a single enterprise fund set of basic financial statements consisting of various programs. The Authority's activities include the following programs:

(a) General Operating Accounts

The General Operating Accounts consist of a group of accounts used to record the receipt of income not directly pledged to the repayment of specific notes and bonds and the payment of expenses related to the Authority's administrative functions.

(b) Rental Housing Bond Group

The proceeds of the Rental Housing Bonds are used to finance construction and permanent mortgage loans on rental housing developments, as well as temporary financing for other rental housing real estate owned, and the financing of the Authority's office facilities.

(c) Commonwealth Mortgage Bond Group

The proceeds of Commonwealth Mortgage Bonds are used to purchase or make long-term mortgage loans to owner occupants of homeownership dwellings, as well as, temporary financing for other homeownership real estate owned.

(d) Homeownership Mortgage Bond Group

The Homeownership Mortgage Bond group was established to encompass the Authority's participation in the U.S. Department of the Treasury's New Issue Bond Program, which was created to assist state and local housing finance agencies in acquiring cost-effective mortgage loan capital. The proceeds of Homeownership Mortgage Bonds are used to purchase or make long-term mortgage loans to owner-occupants of homeownership dwellings.

(Continued)

(3) Restricted Assets

Restricted assets are primarily assets held for the benefit of the respective bond owners and include mortgage loans and investments. Certain assets are held on behalf of federal programs or housing initiatives of the Commonwealth.

Restricted assets as of June 30, 2025 and 2024 were as follows:

	June 30	
	2025	**2024**
Restricted current assets:		
Cash and cash equivalents	$ 1,566,266,695	1,418,752,270
Investments	573,036,451	446,526,786
Interest receivable – investments	22,483,454	22,150,149
Mortgage loans held for sale	79,589,598	52,347,248
Mortgage and other loans receivable	190,028,138	170,345,837
Interest receivable – mortgage and other loans	33,283,215	27,895,884
Other real estate owned	864,715	1,242,096
Other assets	1,800,795	1,229,702
Total restricted current assets	2,467,353,061	2,140,489,972
Restricted noncurrent assets:		
Investments	626,763,063	704,958,806
Mortgage and other loans receivable	8,630,707,413	7,525,280,498
Less allowance for loan loss	125,471,085	108,925,399
Mortgage and other loans receivable, net	8,505,236,328	7,416,355,099
Net OPEB asset	19,680,411	12,601,297
Capital assets, net accumulated depreciation and amortization of $24,030,710 and $23,444,794 respectively	5,529,720	6,226,154
Total restricted noncurrent assets	9,157,209,522	8,140,141,356
Total restricted assets	$ 11,624,562,583	10,280,631,328

(Continued)

(4) Mortgage and Other Loans Receivable

Substantially all mortgage and other loans receivable are secured by first liens on real property within the Commonwealth. The following are the interest rates and typical loan terms by loan program or bond group for the major loan programs:

Loan program/bond group	Interest rates	Initial loan terms
General Operating Accounts	0% to 6.75%	Thirty to forty years
Rental Housing Bond Group	0% to 11.11%	Thirty to forty years
Commonwealth Mortgage Bond Group	0% to 9.38%	Thirty years
Homeownership Mortgage Bond Group	2.00% to 5.63%	Thirty years

Commitments to fund new loans were as follows at June 30, 2025:

		Committed
Rental Housing Bond Group	$	1,061,132,576
Commonwealth Mortgage Bond Group		357,703,668
Total	$	1,418,836,244

(5) Cash, Cash Equivalents, and Investments

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At June 30, 2025 and 2024, the carrying amount of the Authority's deposits was $78,886,066 and $86,442,672, respectively. The associated bank balance of the Authority's deposits was $73,464,606 and $86,555,185 at June 30, 2025 and 2024, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

Cash equivalents include investments with original maturities of three months or less from the date of purchase. Investments consist of U.S. government and agency securities, repurchase agreements, asset-backed securities, agency-mortgage-backed securities, money market securities, and other interest-bearing securities held at the FHLB Atlanta. At June 30, 2025 and 2024, total cash equivalents were $1,632,977,993 and $1,477,669,401, respectively.

Investments made by the Authority are governed by the Virginia Housing Development Authority Act and the Investment of Public Funds Act of the Code of Virginia. Additionally, for assets or monies pledged to the bond resolutions, there are various investment provisions contained in the bond resolutions that affect invested bond proceeds. Within this permitted statutory and bond resolution framework, the Authority's investment policy is to fully invest all monies in a prudent manner that will maintain the Authority's liquidity and maximize return while preserving the capital to enable the Authority to fulfill its financial commitments. The types of investments approved within the statutes and resolutions include but are not limited to direct obligations of the U.S. government, direct obligations of any state or political subdivision of the U.S. government, obligations unconditionally guaranteed by the U.S. government or other political subdivisions, bonds, debentures, certificates of deposit, repurchase agreements, swap contracts, futures contracts, and forward contracts. No more than 3.0% of the Authority's total assets may be invested in any one entity, excluding obligations issued or guaranteed by the U.S. government and repurchase agreement transactions. However, repurchase agreements cannot be more than 10% of the Authority's total assets and must mature in less than one month. Such agreements must be collateralized with U.S. Treasury or Agency securities with a fair value at least equal to 102% of the principal amount of the agreement.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy is to generally hold all investments to maturity and to limit the length of an investment at purchase, to coincide with the expected timing of its use.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in market rates of interest will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. As a means of communicating interest rate risk, the Authority has elected the segmented time distribution method of disclosure, which requires the grouping of investment cash flows into sequential time periods in tabular form.

As of June 30, 2025, the Authority had the following investments (including cash equivalents) and maturities:

Investment type	Less than 1 year	1-5 years	6-10 years	Over 10 years	Total
U.S. government and agency	$ 2,099,869,471	-	-	-	2,099,869,471
Repurchase agreements	100,000,000	-	-	-	100,000,000
Asset-backed securities	-	-	45,709	1,056,222	1,101,931
Collateralized mortgage obligations	-	-	-	22,376,056	22,376,056
Agency-mortgage backed securities	-	141,019	2,076,684	614,337,419	616,555,122
Money market securities	52,481,522	-	-	-	52,481,522
Total investments	$ 2,252,350,993	141,019	2,122,393	637,769,697	2,892,384,102

As of June 30, 2024, the Authority had the following investments (including cash equivalents but excludes equity investments) and maturities:

Investment type	Less than 1 year	1-5 years	6-10 years	Over 10 years	Total
U.S. government and agency	$ 1,170,215,896	-	-	-	1,170,215,896
Repurchase agreements	698,468,264	-	-	-	698,468,264
Asset-backed securities	-	-	124,097	1,044,152	1,168,249
Collateralized mortgage obligations	-	-	-	23,941,280	23,941,280
Agency-mortgage backed securities	-	589	1,699,234	679,317,703	681,017,526
Money market securities	97,251,991	-	-	-	97,251,991
Total investments	$ 1,965,936,151	589	1,823,331	704,303,135	2,672,063,206

On December 21, 2018, the Authority extended a pledge and security agreement with FNMA that requires the Authority to post collateral to secure its repurchase obligations with respect to the HFA Preferred Risk Sharing mortgage loans during the recourse period. As of March 31, 2025, the required collateral amount was $1.8 million. To comply with the collateral requirement, the Authority elected to pledge agency-mortgage-backed securities valued at $18.2 million held in trust by a custodian agent for FNMA.

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparties to an investment will not fulfill its obligations. The Authority places emphasis on securities of high credit quality and marketability. The following table presents investment (including cash equivalents) exposure to credit risk by investment type as of June 30, 2025:

		Amount	S&P or Moody's rating	Percentage of total investments	
US Government & Agency	$	2,099,869,471	P-1/Aa1	72.60	%
Agency-Mortgage Backed Securities		616,555,122	Aaa	21.31	
Repurchase Agreements		100,000,000	Baa2/BBB-	3.46	
Money Market Securities		48,115,235	P-1	1.66	
Collateralized Mortgage Obligation		22,376,056	Aaa	0.77	
Money Market Securities		4,000,000	NR	0.14	
Asset-Backed Securities		1,006,355	Caa1/Caa2/Ca	0.04	
Money Market Securities		366,287	Aaa-mf	0.01	
Asset-Backed Securities		95,576	WR	0.01	
Total investments	$	2,892,384,102		100.00	%

The following table presents investment (including cash equivalents but excluding equity investments) exposure to credit risk by investment type as of June 30, 2024:

		Amount	S&P or Moody's rating	Percentage of total investments	
US Government & Agency	$	1,618,684,160	P-1/Aaa	60.58	%
Agency-Mortgage Backed Securities		681,017,526	Aaa	25.48	
Repurchase Agreements		250,000,000	BBB-	9.35	
Money Market Securities		92,885,704	P-1	3.48	
Collateralized Mortgage Obligation		23,941,280	Aaa	0.90	
Money Market Securities		4,000,000	NR	0.15	
Asset-Backed Securities		987,749	Ca	0.04	
Money Market Securities		366,287	Aaa-mf	0.01	
Asset-Backed Securities		180,500	WR	0.01	
Total investments	$	2,672,063,206		100.00	%

(c) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to investments held by a single issuer. The Authority only makes large investments with issuers who are either insured by the government, have strong credit ratings or who post collateral. The Authority had the following issuers that represent 5% or more of the total investments as of June 30, 2025 and 2024:

(Continued)

Investment	S&P/Moody's rating	June 30, 2025 Amount	Percentage of total investments
Agency-Mortgage Backed Securities			
GNMA	Aaa	$ 522,017,977	18.0%
FNMA	Aaa	94,537,145	3.3%
Repurchase Agreements			
Cantor Fitzgerald	BBB-	50,000,000	1.7%
Jefferies	Baa2	50,000,000	1.7%
Money Market Securities			
US Bank Commercial Paper	P-1	48,115,235	1.7%
		$ 764,670,357	26.4%

Investment	S&P/Moody's rating	June 30, 2024 Amount	Percentage of total investments
Agency-Mortgage Backed Securities			
GNMA	Aaa	$ 580,263,464	21.7%
FNMA	Aaa	100,754,063	3.8%
Repurchase Agreements			
Cantor Fitzgerald	BBB-	125,000,000	4.7%
Jefferies	Baa2	125,000,000	4.7%
Money Market Securities			
US Bank Commercial Paper	P-1	92,885,704	3.5%
		$ 1,023,903,231	38.4%

(d) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Authority will not be able to recover the value of its investment of collateral securities that are in the possession of an outside party. For deposits, custodial credit risk refers to the risk that, in the event of a failure of a depository financial institution, the Authority may not be able to recover its deposits. The Authority's deposits are insured by the federal depository insurance or collateralized under the provisions of the Virginia Security for Public Deposits Act. For investments, custodial risk is the risk that, in the event of a failure of a counterparty, the Authority will not be able to recover the value of its investments.

The Authority's market value of securities that were uninsured and held by a counterparty at June 30, 2025 and 2024:

Investment		Amount as of June 30, 2025	Amount as of June 30, 2024
Asset Backed Securities - Held by US Bank	$	1,101,931	1,168,249
Money Market Securities - Held by Broker-Dealer		52,481,522	97,251,991
	$	53,583,453	98,420,240

(e) Fair Value Hierarchy

As of June 30, 2025, the Authority had the following investments, excluding cash equivalents valued at cost, measured at fair value on a recurring basis using the following fair value hierarchy categories:

			Fair value measurement using		
Investment type		June 30, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Agency-mortgage backed securities	$	616,555,122	-	616,555,122	-
Asset-backed securities		1,101,931	-	1,101,931	-
Collateralized mortgage obligations		22,376,056	-	22,376,056	-
Total investments	$	640,033,109	-	640,033,109	-

(Continued)

As of June 30, 2024, the Authority had the following investments (excluding cash equivalents but excluding equity investments) measured using the following fair value hierarchy categories:

			Fair value measurement using		
Investment type		**June 30, 2024**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Agency-mortgage backed securities	$	681,017,526	-	681,017,526	-
Asset-backed securities		1,168,249	-	1,168,249	-
Collateralized mortgage obligations		23,941,280	-	23,941,280	-
Total investments	$	706,127,055	-	706,127,055	-

(6) Capital Assets

Activity in the capital assets' accounts for the year ended June 30, 2025 was as follows:

		Balance June 30, 2024	**Additions**	**Disposals**	**Transfers**	**Balance June 30, 2025**
Land	$	2,935,815	-	-	-	2,935,815
Construction in process		7,796	2,990,023	-	(824,101)	2,173,718
Building		38,428,721	-	-	-	38,428,721
Leased Building		5,108,970	3,377,371	-	-	8,486,341
Right-to-Use assets		31,775,797	7,909,091	(8,618,147)	-	31,066,741
Furniture and equipment		21,512,881	-	(4,009,903)	824,101	18,327,079
Motor vehicles		829,554	34,692	(83,659)	-	780,587
	$	100,599,534	14,311,177	(12,711,709)	-	102,199,002

Activity in the related accumulated depreciation and amortization accounts during the year ended June 30, 2025 was as follows:

		Balance June 30, 2024	**Additions**	**Disposals**	**Transfers**	**Balance June 30, 2025**
Building	$	(29,425,333)	(1,325,701)	-	-	(30,751,034)
Leased Building		(4,262,505)	(886,367)	-	-	(5,148,872)
Right-to-Use assets		(18,380,534)	(5,790,467)	8,616,774	-	(15,554,227)
Furniture and equipment		(20,387,352)	(753,657)	4,009,331	-	(17,131,678)
Motor vehicles		(654,007)	(90,592)	83,659	-	(660,940)
	$	(73,109,731)	(8,846,784)	12,709,764	-	(69,246,751)

(Continued)

Activity in the capital assets' accounts for the year ended June 30, 2024 was as follows:

		Balance June 30, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Land	$	2,935,815	-	-	-	2,935,815
Construction in process		9,920	945,225	-	(947,349)	7,796
Building		38,428,721	-	-	-	38,428,721
Leased Building		5,108,970	-	-	-	5,108,970
Right-to-Use assets		36,436,160	857,275	(5,517,638)	-	31,775,797
Furniture and equipment		20,984,131	-	(409,645)	938,395	21,512,881
Motor vehicles		743,487	117,901	(40,788)	8,954	829,554
	$	104,647,204	1,920,401	(5,968,071)	-	100,599,534

Activity in the related accumulated depreciation and amortization accounts during the year ended June 30, 2024 was as follows:

		Balance June 30, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Building	$	(28,097,856)	(1,327,477)	-	-	(29,425,333)
Leased Building		(3,529,449)	(733,056)	-	-	(4,262,505)
Right-to-Use assets		(17,360,948)	(6,537,224)	5,517,638	-	(18,380,534)
Furniture and equipment		(19,642,522)	(1,154,359)	409,529	-	(20,387,352)
Motor vehicles		(616,058)	(78,737)	40,788	-	(654,007)
	$	(69,246,833)	(9,830,853)	5,967,955	-	(73,109,731)

(7) Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The standards require that these arrangements be treated as capital assets instead of expensed.

As of June 30, 2025, the Authority had right to use assets of $31,066,741 with accumulated amortization of $15,554,227. At June 30, 2024, the Authority had right to use assets of $31,775,797 with accumulated amortization of $18,380,534. The associated liabilities of the right to use assets were broken out into two categories: current and noncurrent. As of June 30, 2025, the current and noncurrent SBITA liability was $4,145,881 and $10,096,009, respectively. At June 30, 2024, the current and noncurrent SBITA liability was $4,586,579 and $7,782,385, respectively.

(Continued)

The principal payments by division as of July 1, 2025 and thereafter is as follows:

Division		6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030
Homeownership	$	2,955,340	3,037,049	3,121,854	1,937,665	178,030
Operations		1,083,096	1,027,640	708,464	85,307	-
Rental Housing		107,445	-	-	-	-
Total	$	4,145,881	4,064,689	3,830,318	2,022,972	178,030

The associated interest by division as of July 1, 2025 and thereafter is as follows:

Division		6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030
Homeownership	$	291,800	210,091	125,284	42,476	1,160
Operations		123,341	71,099	25,326	2,061	-
Rental Housing		955	-	-	-	-
Total	$	416,096	281,190	150,610	44,537	1,160

The principal payments by division as of July 1, 2024 and thereafter is as follows:

Division		6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029
Homeownership	$	2,426,203	2,068,618	2,103,009	2,137,971	901,280
Operations		1,456,131	230,397	203,325	30,340	-
Rental Housing		704,245	107,445	-	-	-
Total	$	4,586,579	2,406,460	2,306,334	2,168,311	901,280

The associated interest by division as of July 1, 2024 and thereafter is as follows:

Division		6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029
Homeownership	$	137,282	103,382	68,991	34,027	3,721
Operations		68,037	21,959	10,527	611	-
Rental Housing		12,484	955	-	-	-
Total	$	217,803	126,296	79,518	34,638	3,721

(Continued)

(8) Leases

On July 1, 2018, the Authority entered into an agreement to lease an office building. The lease term is 5 years, with two options to renew at one year each. In June of 2022, the Authority reassessed the terms of the lease, which resulted in an increase to the lease liability. In February of 2023, the Authority exercised its right to renew the lease for an additional year. In March of 2024, the Authority amended the lease agreement to extend the lease for an additional year, expiring on September 8, 2025.

On August 26, 2024, the Authority entered into a lease agreement for office space commencing on April 1st, 2025. This lease replaces the existing office space lease that expires on September 8, 2025. The new lease has a sixty-three-month term requiring monthly payments. The new space is located near the existing space in Henrico, Virginia.

The annual rent expense for the year ended June 30, 2025, is $941,220. As of June 30, 2025, the net book value of the leased assets is $3,337,469 net of accumulated amortization of $4,998,548 and excludes the effects of leasehold improvements. There is no carrying amount of leasehold improvements as of June 30, 2025.

The principal payment obligations and associated interest related to the building lease commencing July 1, 2025 and thereafter are as follows:

Year ending June 30	Principal	Interest	Total
2026	$ 638,206	127,793	765,999
2027	630,949	103,162	734,111
2028	679,483	76,651	756,134
2029	730,691	48,121	778,812
2030	784,836	17,457	802,293
Total	$ 3,464,165	373,184	3,837,349

(9) Notes and Bonds Payable

Notes and bonds payable at June 30, 2024 and June 30, 2025 and changes for the year ended June 30, 2025 were as follows:

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
		(Amounts shown in thousands)		
General operating accounts:				
Revolving line of credit:				
Bank of America floating daily rate with a termination date of December 1, 2025	$ —	1,000	1,000	—
Wells Fargo floating daily rate with a termination date of December 1, 2025	—	1,000	1,000	—
Federal Home Loan Bank varying fixed rate notes with 30 to 90-day maturities (average of 4.43% as of June 30, 2025 and 5.40% at June 30, 2024), maturities range from July 09, 2025 to September 16, 2025	400,000	—	—	400,000
Total general operating accounts	400,000	2,000	2,000	400,000
Rental housing bond group:				
2012 Series D dated October 30, 2012, 4.15% effective interest rate, final due date October 1, 2037	110,130	—	6,100	104,030
2012 Series E dated November 2, 2013, 3.16% effective interest rate, final due date November 1, 2042	8,000	—	310	7,690
2013 Series A/B dated April 11, 2013, 3.95% effective interest rate, final due date April 1, 2043	25,675	—	990	24,685
2013 Series C dated May 2, 2013, 3.82% effective interest rate, final due date February 1, 2043	122,250	—	4,810	117,440
2013 Series D dated May 30, 2013, 4.06% effective interest rate, final due date June 1, 2043	85,915	—	3,120	82,795
2013 Series E dated July 11, 2013, 4.15% effective interest rate, final due date July 1, 2043	16,290	—	580	15,710
2013 Series F dated October 10, 2013, 5.24% effective interest rate, final due date October 1, 2043	47,720	—	4,665	43,055
2013 Series G dated December 3, 2013, 4.39% effective interest rate, final due date December 1, 2043	8,410	—	270	8,140
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	10,905	—	250	10,655

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
		(Amounts shown in thousands)		
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	$ 7,230	—	245	6,985
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	107,795	—	3,460	104,335
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	31,820	—	1,065	30,755
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	9,450	—	320	9,130
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	18,880	—	610	18,270
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	29,120	—	940	28,180
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	69,555	—	2,075	67,480
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	3,995	—	130	3,865
2016 Series B dated May 17, 2016, 3.35% effective interest rate, final due date May 1, 2046	58,360	—	3,010	55,350
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	3,975	—	125	3,850
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	6,735	—	220	6,515
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	24,925	—	645	24,280
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	6,020	—	180	5,840
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	2,535	—	75	2,460
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	4,960	—	145	4,815

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
	(Amounts shown in thousands)			
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	$ 43,720	—	1,105	42,615
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	30,945	—	720	30,225
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	25,210	—	545	24,665
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	17,710	—	360	17,350
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	68,430	—	1,385	67,045
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	33,695	—	805	32,890
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	59,015	—	1,275	57,740
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	15,955	—	340	15,615
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	47,805	—	915	46,890
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	47,770	—	935	46,835
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	49,530	—	1,120	48,410
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	71,420	—	1,480	69,940
2020 Series B dated March 25, 2020 2.39% effective interest rate, final due date March 1, 2055	64,185	—	1,495	62,690
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	183,150	—	8,645	174,505
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	420,730	—	2,930	417,800

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
		(Amounts shown in thousands)		
2020 Series E dated July 28, 2020 2.53% effective interest rate, final due date July 1, 2055	$ 35,855	—	795	35,060
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	195,935	—	4,100	191,835
2020 Series G dated October 14, 2020 2.29% effective interest rate, final due date September 1, 2055	21,160	—	2,370	18,790
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	171,450	—	3,580	167,870
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	43,865	—	1,110	42,755
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	48,935	—	1,085	47,850
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	79,630	—	1,970	77,660
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	45,680	—	15,025	30,655
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	97,840	—	2,420	95,420
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	31,575	—	835	30,740
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	76,190	—	1,915	74,275
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	50,000	—	655	49,345
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	30,000	—	645	29,355
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	30,000	—	335	29,665
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	5,925	—	70	5,855

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
	(Amounts shown in thousands)			
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	$ 226,630	—	4,735	221,895
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	142,565	—	3,775	138,790
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	40,000	—	390	39,610
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	57,755	—	585	57,170
2022 Series C dated March 29, 2022 3.91% effective interest rate, final due date April 1, 2057	49,165	—	855	48,310
2022 Series D dated May 3, 2022 3.95% effective interest rate, final due date May 1, 2057	22,085	—	190	21,895
2022 Series E dated June 30, 2022 4.16% effective interest rate, final due date June 1, 2057	40,635	—	600	40,035
2022 Series F dated October 5, 2022 4.85% effective interest rate, final due date October 1, 2057	59,210	—	1,660	57,550
2022 Series G dated November 30, 2022 5.13% effective interest rate, final due date November 1, 2064	95,100	—	16,280	78,820
2023 Series A dated February 9, 2023 5.28% effective interest rate, final due date February 1, 2066	60,000	—	—	60,000
2023 Series B dated March 8, 2023 4.65% effective interest rate, final due date March 1, 2065	40,250	—	—	40,250
2023 Series C dated June 1, 2023 4.24% effective interest rate, final due date May 1, 2060	7,850	—	935	6,915
2023 Series D dated August 3, 2023 4.62% effective interest rate, final due date August 1, 2065	110,895	—	1,000	109,895
2023 Series E dated October 12, 2023 5.03% effective interest rate, final due date October 1, 2065	56,630	—	—	56,630
2023 Series F dated November 30, 2023 5.16% effective interest rate, final due date May 1, 2067	167,855	—	—	167,855

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
		(Amounts shown in thousands)		
2024 Series A dated March 7, 2024 4.53% effective interest rate, final due date September 1, 2065	$ 177,070	—	—	177,070
2024 Series B dated May 2, 2024 5.84% effective interest rate, final due date May 1, 2066	25,000	—	—	25,000
2024 Series C dated June 18, 2024 4.69% effective interest rate, final due date June 1, 2066	80,270	—	—	80,270
2024 Series D dated August 1, 2024 4.41% effective interest rate, final due date August 1, 2060	—	50,900	—	50,900
2024 Series E dated October 10, 2024 4.07% effective interest rate, final due date April 1, 2066	—	89,820	—	89,820
2024 Series F dated October 31, 2024 5.84% effective interest rate, final due date October 1, 2066	—	106,000	—	106,000
2024 Series G dated November 7, 2024 4.11% effective interest rate, final due date November 1, 2066	—	34,300	—	34,300
2024 Series H dated December 5, 2024 4.57% effective interest rate, final due date December 1, 2066	—	164,175	—	164,175
2025 Series A dated March 20, 2025 4.59% effective interest rate, final due date March 1, 2068	—	172,520	—	172,520
2025 Series B dated June 17, 2025 5.01% effective interest rate, final due date June 1, 2067	—	21,200	—	21,200
	4,422,925	638,915	126,310	4,935,530
Unamortized premium	(741)	—	39	(702)
Total rental housing bonds	$ 4,422,184			4,934,828
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.50% effective interest rate, final due date June 25, 2034	3,890	—	708	3,182
2008 Series C, dated November 18, 2008, 6.63% effective interest rate, final due date June 25, 2038	3,098	—	3,098	—
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	20,400	—	8,000	12,400

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
	(Amounts shown in thousands)			
2012 Series B/C, dated December 20, 2012, 3.09% effective interest rate, final due date July 1, 2039.	$ 186,870	—	19,200	167,670
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	14,563	—	1,405	13,158
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	16,838	—	1,795	15,043
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	15,706	—	1,109	14,597
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	24,198	—	3,298	20,900
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	39,291	—	5,004	34,287
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	38,511	—	3,959	34,552
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	45,178	—	5,276	39,902
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	42,338	—	4,014	38,324
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	55,479	—	4,909	50,570
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	67,596	—	7,841	59,755
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	124,371	—	10,285	114,086
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	36,356	—	3,100	33,256
2023 Series A, dated October 24, 2023, 5.07% effective interest rate, final due date November 1, 2053	100,000	—	2,365	97,635
2023 Series B, dated October 24, 2023, 6.39% effective interest rate, final due date November 1, 2053	150,000	—	2,845	147,155

(Continued)

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
		(Amounts shown in thousands)		
2023 Series C/E, dated December 14, 2023, 4.42% effective interest rate, final due date July 1, 2055	$ 405,000	154,995	195,600	364,395
2023 Series D, dated December 14, 2023, 6.03% effective interest rate, final due date January 1, 2054	100,000	—	1,000	99,000
2024 A Series, dated March 28, 2024, 5.46% effective interest rate, final due date April 1, 2054	160,000	—	—	160,000
2024 B Series, dated May 29, 2024, 5.79% effective interest rate, final due date October 1, 2054	160,000	—	—	160,000
2024 C Series, dated September 17, 2024, 5.59% effective interest rate, final due date October 1, 2054	—	160,005	—	160,005
2024 D Series, dated November 21, 2024, 4.63% effective interest rate, final due date July 1, 2055	—	150,000	—	150,000
2024 F Series, dated November 21, 2024, 3.63% effective interest rate, final due date April 1, 2026	—	215,480	70,000	145,480
2024 E Series, dated November 21, 2024 5.74% effective interest rate, final due date July 1, 2055	—	160,000	—	160,000
2025 A Series, dated February 19, 2025 5.76% effective interest rate, final due date July 1, 2055	—	150,000	—	150,000
2025 B Series, dated May 20, 2025 6.05% effective interest rate, final due date July 1, 2055	—	140,000	—	140,000
	1,809,683	1,130,480	354,811	2,585,352
Unamortized premium	(147)	—	81	(66)
Total commonwealth mortgage bonds group	$ 1,809,536			2,585,286
Homeownership mortgage bonds group:				
2013 Series A, dated March 27, 2013, 3.25% effective interest rate, final due date August 25, 2042	$ 34,441	—	3,463	30,978
Total homeownership mortgage bonds group	34,441			30,978
Total	$ 6,666,161			7,951,092

(Continued)

Notes and bonds payable at June 30, 2024 and June 30, 2025 and changes for the year ended June 30, 2025 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025	Due within one year
Notes from direct borrowings	$ 400,000	2,000	2,000	400,000	400,000
Rental housing bonds group	4,422,184	638,915	126,271	4,934,828	95,900
Commonwealth mortgage bonds group	1,809,536	1,130,480	354,730	2,585,286	207,346
Homeownership mortgage bonds group	34,441	-	3,463	30,978	1,484
Total	$ 6,666,161	1,771,395	486,464	7,951,092	704,730

Notes and bonds payable at June 30, 2023 and June 30, 2024 and changes for the year ended June 30, 2024 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2023	Increases	Decreases	Balance at June 30, 2024	Due within one year
Notes from direct borrowings	$ 400,000	55,000	55,000	400,000	400,000
Rental housing bonds group	3,901,120	617,720	96,656	4,422,184	103,070
Commonwealth mortgage bonds group	825,012	1,235,000	250,476	1,809,536	86,438
Homeownership mortgage bonds group	37,583	-	3,142	34,441	1,503
Total	$ 5,163,715	1,907,720	405,274	6,666,161	591,011

Current and noncurrent amounts of notes and bonds payable at June 30, 2025 and 2024 were as follows:

	June 30 2025	June 30 2024
Notes and bonds payable - current	$ 704,729,940	591,011,310
Bonds payable - noncurrent	7,246,362,212	6,075,149,726
Total	$ 7,951,092,152	6,666,161,036

From time to time, the Authority has participated in refunding, in which new debt is issued and the proceeds are used to redeem, generally within ninety days, previously issued debt. Related discounts or premiums previously deferred are recognized in income or expense, respectively. There were no refundings during the years ended June 30, 2025 and 2024. The Authority had redemptions of $296,890,000 and $18,445,000 during the years ended June 30, 2025 and 2024, respectively.

(Continued)

The principal payment obligations and associated interest related to all note and bond indebtedness (excluding the effect of unamortized discounts and premiums) commencing July 1, 2025 and thereafter are as follows:

	Bonds		Direct Placements & Direct Borrowings		
Year ending June 30	Outstanding principal	Current interest	Outstanding principal	Current interest	Total debt service
2026	$ 296,519,940	281,169,147	408,210,000	25,490,205	1,011,389,292
2027	152,315,000	276,351,882	8,490,000	7,445,935	444,602,817
2028	193,670,000	274,371,919	8,780,000	7,110,661	483,932,580
2029	325,095,000	265,173,026	9,085,000	6,763,702	606,116,728
2030	226,270,000	254,427,343	9,400,000	6,404,754	496,502,097
2031-2035	914,579,478	1,171,424,474	52,090,000	26,188,678	2,164,282,630
2036-2040	1,015,912,511	993,856,196	61,745,000	15,154,038	2,086,667,745
2041-2045	1,154,983,401	774,224,091	42,435,000	2,955,080	1,974,597,572
2046-2050	1,208,964,574	536,459,231	-	-	1,745,423,805
2051-2055	1,248,847,559	270,813,452	-	-	1,519,661,011
2056-2060	341,597,505	100,754,947	-	-	442,352,452
2061-2065	208,575,000	43,255,138	-	-	251,830,138
2066-2070	64,295,000	3,954,382	-	-	68,249,382
Total	$ 7,351,624,968	5,246,235,228	600,235,000	97,513,053	13,295,608,249

The principal payment obligations related to all note and bond indebtedness (excluding the effect of unamortized discounts and premiums) commencing July 1, 2025 and thereafter are as follows:

Year ending June 30	General fund notes	Rental housing bonds	Rental housing bonds direct placement	Commonwealth mortgage bonds	Homeownership mortgage bonds	Total principal
2026	$ 400,000,000	87,690,000	8,210,000	207,345,572	1,484,368	704,729,940
2027	-	91,930,000	8,490,000	60,385,000	-	160,805,000
2028	-	125,790,000	8,780,000	67,880,000	-	202,450,000
2029	-	253,795,000	9,085,000	71,300,000	-	334,180,000
2030	-	155,895,000	9,400,000	70,375,000	-	235,670,000
2031-2035	-	602,585,000	52,090,000	311,994,478	-	966,669,478
2036-2040	-	650,400,000	61,745,000	365,512,511	-	1,077,657,511
2041-2045	-	721,140,000	42,435,000	433,843,401	-	1,197,418,401
2046-2050	-	715,215,000	-	493,749,574	-	1,208,964,574
2051-2055	-	752,550,000	-	496,297,559	-	1,248,847,559
2056-2060	-	305,435,000	-	6,670,000	29,492,505	341,597,505
2061-2065	-	208,575,000	-	-	-	208,575,000
2066-2070	-	64,295,000	-	-	-	64,295,000
Total	$ 400,000,000	4,735,295,000	200,235,000	2,585,353,095	30,976,873	7,951,859,968

(Continued)

The associated interest related to all note and bond indebtedness commencing July 1, 2025 and thereafter are as follows:

Year ending June 30	General fund interest	Rental housing interest	Rental housing bonds direct placement	Commonwealth interest	Homeownership interest	Total interest
2026	$ 17,720,000	166,917,586	7,770,205	113,744,301	507,260	306,659,352
2027	-	165,376,255	7,445,935	110,496,374	479,253	283,797,817
2028	-	165,764,824	7,110,661	108,127,842	479,253	281,482,580
2029	-	159,327,245	6,763,703	105,366,527	479,253	271,936,728
2030	-	151,472,476	6,404,754	102,475,614	479,253	260,832,097
2031-2035	-	699,064,280	26,188,678	469,963,928	2,396,266	1,197,613,152
2036-2040	-	596,486,940	15,154,037	394,972,991	2,396,266	1,009,010,234
2041-2045	-	476,455,356	2,955,081	295,372,468	2,396,266	777,179,171
2046-2050	-	346,727,179	-	187,335,786	2,396,266	536,459,231
2051-2055	-	211,136,868	-	57,280,318	2,396,266	270,813,452
2056-2060	-	98,911,127	-	182,409	1,661,411	100,754,947
2061-2065	-	43,255,138	-	-	-	43,255,138
2066-2070	-	3,954,382	-	-	-	3,954,382
Total	$ 17,720,000	3,284,849,656	79,793,054	1,945,318,558	16,067,013	5,343,748,281

The Authority has bonds outstanding under three general bond resolutions. All are general obligation bonds backed by the full faith and credit of the Authority. Interest and principal payments are secured by a pledge of the assets and revenues pledged to the bond resolution under which the bonds are issued, to the extent provided for in such resolution. The direct placement bonds are general obligation bonds, which are secured on parity with other outstanding bonds from the same bond resolution, and there are no terms of the indentures that are unique to those placements.

The assets and revenues pledged to each bond resolution secure only the bonds issued under that resolution. For each resolution, assets and revenues in excess of the liability to bondholders is available to support the general obligations of the Authority. The Authority has the option to redeem various bonds pursuant the terms of each bond issue. The redemptions generally cannot be exercised without condition until the bonds have been outstanding for nine years or more, as fully described in various bond documents. Further discussion of the resolutions is in Note 2.

Direct borrowings include an uncollateralized revolving credit agreement with Bank of America and Wells Fargo and a credit agreement with the Federal Home Loan Bank (FHLB) of Atlanta.

The Authority had maintained a $150.0 million line of credit with Bank of America; however, on December 1, 2024 the Authority made changes to the credit agreement with Bank of America, decreasing the line of credit to $75.0 million. Additionally, the Authority opened a new line of credit with Wells Fargo Bank for $75.0 million. This gave the Authority a total available borrowing amount of $150.0 million, expiring on December 1, 2025. As of June 30, 2025, there was no outstanding balance on the line of credit for Bank of America or Wells Fargo Bank. The Authority is in compliance with all debt covenant requirements.

The Authority maintains a $1.3 billion credit agreement with the FHLB of Atlanta, whereby FHLB of Atlanta may advance funds that are secured by cash, mortgage loans, and government agency securities held in FHLB of Atlanta as collateral. As of June 30, 2025, there was $474.1 million in mortgage-backed securities pledged to FHLB Atlanta. As of June 30, 2024, there was $478.5 million in mortgage-backed securities pledged to FHLB Atlanta. Interest on any advance can be charged either under a floating daily rate or a fixed rate with a stated maturity not to exceed either one year for the daily rate or twenty years for fixed-rate loans.

(Continued)

As of June 30, 2025 there were two 30-day and two 90-day fixed rate borrowings: two for a total of $100.0 million at 4.44%, one for a total of $100.0 million at 4.45%, and one for a total of $100.0 million at 4.39%. The Authority is in compliance with all debt covenant requirements. At June 30, 2025, and 2024, there was $400.0 million outstanding.

(10) Loan Participation Payable to Federal Financing Bank

On March 23, 2015, the Authority was designated as a "qualified Housing Finance Agency" under the Risk-Sharing Act and entered into a Risk-Sharing Agreement with HUD. In conjunction with the Risk-Sharing Agreement, the Authority elected to participate in a program offered by the Federal Financing Bank (FFB) for the financing of rental housing mortgage loans. The FFB is a government corporation, under the general supervision and direction of the Secretary of the Treasury, created by Congress with statutory authority to purchase any obligation that is fully guaranteed by another federal agency. To the extent that FFB proceeds are utilized to finance certain mortgage loans, such mortgage loans would not be available to be financed under the Rental Housing Bond Group other than on a temporary basis prior to such FFB financing. In February 2016, the Authority executed the necessary agreements to allow the Authority to participate in such FFB financing.

Under the program established by the Risk-Sharing Act (the "Risk-Sharing Program"), the Authority retains underwriting, mortgage loan management, and property disposition functions and responsibility for defaulted loans. Following default under a mortgage loan subject to a HUD contract of mortgage insurance under the Risk-Sharing Program, HUD agrees to make an initial claim payment of 100% of the loan's unpaid principal balance and accrued interest, subject to certain adjustments that pass through the Authority to FFB. After a period during which the Authority may work toward curing the default, foreclosing the mortgage, or reselling the related project, any losses are calculated and apportioned between the Authority and HUD according to a specified risk-sharing percentage determined at the time of its endorsement for insurance. At its issuance, the Authority may choose a risk percentage ranging from 50% to 90%, which in turn determines its reimbursement obligation to HUD. During the intervening period prior to the final loss settlement, the Authority is obligated to pay interest on the amount of the initial claim payment under a debenture required to be issued to HUD at the time of the initial claim payment.

For each rental housing mortgage loan to be financed by the FFB, the Authority will sell to the FFB a certificate representing a participation interest in the rental housing mortgage loan consisting of all principal payments due thereon and all interest payments due thereon, whereby the rate to FFB will be less than the mortgage loan interest rate. The participation proceeds from the FFB are recorded as a debt obligation payable to the FFB.

Under these agreements, the Authority will retain responsibility for originating, closing and servicing the rental housing mortgage loans underlying the certificates sold to the FFB. As servicer, the Authority will remit the balance of each mortgage payment to U.S. Bank, N.A. ("Custodian"). The Custodian will fund any required account and pay the amounts due to the FFB, deduct their fees, then remit any amount remaining to the Authority as servicing fees.

Under the terms of the agreements in the Risk-Sharing Program, the Authority has sold certificates representing the beneficial interest in the following mortgage loans to FFB:

Activity in the related risk-sharing program with the FFB as of June 30, 2025.

Description	Balance at June 30, 2024	Issued	Retired	Balance at June 30, 2025
Participation Certificates Outstanding:				
Colonnade at Rocktown - Note rate of 4.68%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.45%				
Maturity date of May 1, 2047	$ 2,622,550	—	65,430	2,557,120
Wilsondale II - Note rate of 4.47%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.12%				
Maturity date of July 1, 2047	6,797,692	—	172,234	6,625,458
Baker Woods - Note rate of 3.91%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.89%				
Maturity date of December 1, 2052	5,046,112	—	98,386	4,947,726
Twin Canal Village - Note rate of 3.82%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.18%				
Maturity date of April 1, 2043	6,065,404	—	224,372	5,841,032
Treesdale - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	3,354,920	—	80,291	3,274,629
Landing at Weyers Cove - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	2,206,367	—	52,803	2,153,564
Belle Hall - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	4,021,219	—	99,909	3,921,310
Campostella Commons - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	3,072,391	—	76,335	2,996,056
Total participation certificates payable	$ 33,186,655	—	869,760	32,316,895

(Continued)

Activity in the related risk-sharing program with the FFB as of June 30, 2024.

Description	Balance at June 30, 2023	Issued	Retired	Balance at June 30, 2024
Participation Certificates Outstanding:				
Colonnade at Rocktown - Note rate of 4.68%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.45%				
Maturity date of May 1, 2047	$ 2,684,994	—	62,444	2,622,550
Wilsondale II - Note rate of 4.47%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.12%				
Maturity date of July 1, 2047	6,962,410	—	164,718	6,797,692
Baker Woods - Note rate of 3.91%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.89%				
Maturity date of December 1, 2052	5,140,732	—	94,620	5,046,112
Twin Canal Village - Note rate of 3.82%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.18%				
Maturity date of April 1, 2043	6,281,380	—	215,976	6,065,404
Treesdale - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	3,431,896	—	76,976	3,354,920
Landing at Weyers Cove - Note rate of 4.22%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 3.30%				
Maturity date of November 1, 2048	2,256,991	—	50,624	2,206,367
Belle Hall - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	4,117,625	—	96,406	4,021,219
Campostella Commons - Note rate of 3.57%				
Risk-Share percentage (10% HUD / 90% VHDA)				
Pass-through rate of 2.72%				
Maturity date of September 1, 2049	3,146,050	—	73,659	3,072,391
Total participation certificates payable	$ 34,022,078	—	835,423	33,186,655

(Continued)

(11) Escrows and Project Reserves

Escrows and project reserves represent amounts held by the Authority as escrows for insurance, real estate taxes, and completion assurance, and as reserves for replacement and operations (Note 17). The Authority invests these funds and, for project reserves, allows earnings to accrue to the benefit of the mortgagor.

At June 30, 2025 and 2024, these escrows and project reserves were presented in the Authority's Statements of Net Position as follows:

	June 30	
	2025	**2024**
Escrow - current	$ 50,997,689	37,001,478
Project reserves - noncurrent	127,712,700	131,865,677
Total	$ 178,710,389	168,867,155

(12) Derivative Instruments

The Authority enters into forward sales contracts for the delivery of GNMA, FNMA, and FHLMC securities in order to lock in the sales price for the securitization of certain homeownership mortgage loans. The contracts offset changes in interest rates between the time of the loan reservations and the securitization of such loans into GNMA, FNMA, and FHLMC securities. These contracts are considered investment derivative instruments, such that their change in fair value is reported as investment derivative gains or losses on the Statements of Revenues, Expenses, and Changes in Net Position. Fair values of the forwards are based on observable market prices for similar instruments traded on the secondary mortgage loan markets. The Authority's portfolio of investment derivatives is classified as Level 2 in the fair value hierarchy.

The outstanding forward contracts, summarized by counterparty rating as of June 30, 2025, were as follows:

Counterparty rating	Count	Par	Concentration	Book value	Fair value	Fair value asset (liability)
A-1/A+	12	$ 36,700,000	31.3%	$ 37,495,332	$ 37,684,234	$ (188,902)
A-1/A+	11	37,000,000	31.6%	37,658,672	37,815,000	(156,328)
A-1+/AA-	8	22,500,000	19.2%	22,861,641	23,000,625	(138,984)
A-1/A+	7	21,000,000	17.9%	21,420,234	21,511,172	(90,938)
	38	$ 117,200,000	100.0%	$ 119,435,879	$ 120,011,031	$ (575,152)

The outstanding forward contracts, summarized by counterparty rating as of June 30, 2024, were as follows:

Counterparty rating	Count	Par	Concentration	Book value	Fair value	Fair value asset (liability)
A-1/A+	12	$ 37,100,000	37.2%	$ 37,579,412	$ 37,603,469	$ (24,057)
A-1/A+	11	31,300,000	31.4%	31,800,746	31,859,125	(58,379)
A-1/A+	6	16,500,000	16.5%	16,789,355	16,789,375	(20)
A-1/A+	5	9,300,000	9.3%	9,417,355	9,425,938	(8,583)
A-1/A+	2	5,500,000	5.5%	5,570,000	5,583,672	(13,672)
	36	$ 99,700,000	100.0%	$ 101,156,868	$ 101,261,579	$ (104,711)

(Continued)

(13) Investment Income and Arbitrage Liabilities

The amount of investment income the Authority may earn with respect to certain tax-exempt bond issues in the Commonwealth Mortgage Bond Group and Rental Housing Bond Group is limited by certain federal legislation. Earnings in excess of the allowable amount must be rebated to the U.S. Department of the Treasury. These excess earnings are recorded in other liabilities (noncurrent). As of June 30, 2025, rebate payments of $172,492 were paid. As of June 30, 2024, no rebate payments have been paid. At June 30, 2025, and 2024, the Authority recorded a rebate liability of $3,113,599 and $2,412,298, respectively.

(14) Net Position

Net investment in capital assets represents property, furniture, equipment, and vehicles, less the current outstanding applicable debt. Restricted net position represents those portions of the total net position in trust accounts established by the various bond resolutions for the benefit of the respective bond owners. Restricted net position is generally mortgage loans and funds held for placement into mortgage loans, investments, funds held for scheduled debt service, and excess funds held in the OPEB plan. At the bond resolution level, assets can be released from restriction by bond indentures at any time, subject to the revenue test that requires the assets and future income stream generated by those restricted assets to be greater than the funds needed to cover scheduled debt service.

Unrestricted net position represents those portions of the total net position set aside for current utilization and tentative plans for future utilization of such net position. As of June 30, 2025 and 2024, such plans included funds to be available for other loans and loan commitments; over commitments and over allocations in the various bond issues; support funds and contributions to bond issues; support for REACH *Virginia* initiatives and tenant-based housing assistance payments; and working capital and future operating and capital expenditures. Additional unrestricted net position commitments include maintenance of the Authority's obligation with regard to the general obligation pledge on its bonds; contributions to future bond issues other than those scheduled during the next year; coverage on uninsured assets; unsubsidized rental housing conventional loan program; and any unanticipated losses in connection with the uninsured portions of the balance of the homeownership and rental housing loans; coverage on the liability exposure of commissioners and officers; the cost of holding foreclosed property prior to resale; costs incurred with the redemption of bonds; homeownership loan prepayment shortfalls; and other risks and contingencies.

(15) Employee Benefits Plans

The Authority incurs employment retirement savings expenses under two defined contribution plans equal to between 8% and 11% of full-time employees' compensation. Total retirement savings expense for the year ended June 30, 2025 and 2024 was $6,529,012 and $6,047,884, respectively.

The Authority sponsors a deferred compensation plan available to all employees created in accordance with Internal Revenue Section 457(b). The Plan permits participants to defer a portion of their salary or wages until future years. The deferred compensation is not available to employees until termination, retirement, or death. The assets of the Plan are in an irrevocable trust with an external trustee, and, accordingly, no assets or liabilities are reflected in the Authority's basic financial statements.

As of June 30, 2025, and 2024, an employee compensated absences accrual of $7,180,128 and $6,900,155, respectively, is included in other liabilities (Note 17). Additionally, a liability of $1,123,642 was accrued to accounts payable and other liabilities on the Statement of Net Position due to the implementation of GASB 101.

(16) Other Postemployment Benefits

(a) Retiree Healthcare Plan Description (the Plan)

Beginning with the year ended June 30, 2018, the Authority applied the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan established January 1, 2006 to provide post-employment reimbursement of eligible medical, dental, and vision expenses to current and eligible future retirees and their spouses in accordance with the terms of the Plan.

The Authority serves as Plan Administrator for the Plan. Pursuant to a resolution of the Board of Commissioners of the Authority, the Executive Director of the Authority authorized and empowered the Retiree Health Care Plan Oversight Committee (Oversight Committee), a committee made up of five members of management, to carry out the duties and responsibilities as Plan Administrator for the Plan.

Plan assets are administered through the Virginia Housing Development Authority Retiree Health Care Plan Trust (the Trust), an irrevocable trust to be used solely for providing benefits to eligible participants in the Plan. Assets of the Trust are irrevocable, legally protected from creditors, and are dedicated to providing post-employment reimbursement of eligible medical, dental, and vision expenses to current and eligible future retirees and their spouses, in accordance with the terms of the Plan. The Oversight Committee oversees investment determinations based on the objective of moderate growth of capital, consistent with the principle of diversification, while maintaining liquidity. The trust may invest in stocks, bonds, mutual funds, or any other reasonable investment instrument so long as it maintains a diversified portfolio consistent with the Investment Policy as defined in the Trust.

At its sole discretion, the Authority retains the right to amend the Plan at any time and from time to time with respect to benefits, funding, contributions, and permanency. The Authority reserves the right to discontinue or terminate its funding of the Plan at any time without prejudice, provided that the decision to terminate funding of the Plan is effected by a written resolution adopted by a majority of the Board of Commissioners of the Authority. There is a standalone report that can be made available by contacting the Authority.

At January 1, 2025, participants in the Plan consisted of the following:

Active employees	499
Inactive plan members (retirees) receiving benefits	157
Total Participants	656

Effective January 1, 2006, eligible retirees must be at least 55 years of age with 15 years of service (or at least 55 years of age with 10 years of service if employed by the Authority prior to such date). Plan participants receive an annual benefit based on age and years of service at retirement and based on a matrix, updated annually for cost of living plus 2.0% not to exceed 150.0% of the annual premium for the preferred provider organization medical plan offered that year by the Authority if the participant is under age 65 or not to exceed 75.0% of the annual premium if the participant is age 65 or over. The annual benefit may be used to pay for health insurance purchased through the Authority's group plan or elsewhere and for other eligible medical, dental, and vision expenses. The Authority pays benefits as incurred throughout the year, and the Plan reimburses the Authority for the benefits paid annually.

(b) Contributions

Plan documents note that all benefits under the Plan shall be funded by the Authority. No contributions may be made to the Plan by participants in the Plan. The Authority establishes contribution rates based on the actuarially determined contribution rate. The Authority supplements the actuarially determined rate by ensuring the Plan is additionally funded based on a percentage of budgeted payroll plus administrative fees incurred by the Plan. The Authority pays benefits and administrative fees on behalf of the Plan on an annual basis. For the year ended December 31, 2024, the Authority's contribution rate ranged between 2.5% to 3.5% of covered payroll. For the years ended December 31, 2024 and December 31, 2023, the Authority's contributions to the Plan were $1,686,116 and $3,041,195, respectively. At June 30, 2025 and June 30, 2024, the Authority reported no outstanding amount of contributions to the Plan required for the years ended December 31, 2024 and December 31, 2023.

(c) OPEB Liability, Expense, and Deferred Outflows and Deferred Inflows of Resources Related to the Retiree Healthcare Plan

For the years ended June 30, 2025 and June 30, 2024, the Authority recognized OPEB expense of $829,491 and $1,536,757, respectively. At June 30, 2025, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

Year ending June 30, 2025		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	4,655,454	9,812,467
Net difference between projected and actual earnings on OPEB Plan investments		-	2,873,277
Change in assumptions		1,374,522	430,519
Total	$	6,029,976	13,116,263

(Continued)

At June 30, 2024, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

Year ending June 30, 2024		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	5,393,161	7,961,316
Net difference between projected and actual earnings on OPEB Plan investments		585,200	-
Change in assumptions		1,627,852	508,695
Total	$	7,606,213	8,470,011

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2025 will be recognized in OPEB expense as follows:

Year ended June 30, 2025		
2026	$	(572,671)
2027		343,535
2028		(1,510,258)
2029		(1,029,730)
2030		(305,188)
Thereafter		(4,011,975)
	$	(7,086,287)

As of June 30, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2024		
2025	$	253,586
2026		528,893
2027		1,445,099
2028		(408,694)
2029		71,834
Thereafter		(2,754,516)
	$	(863,798)

(Continued)

(d) Actuarial Assumptions

The Authority's net OPEB liability (asset) was measured as of December 31, 2024 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2025.

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Valuation Date	January 1, 2025
Actuarial Cost Method	Entry-Age Normal percentage of Salary
Amortization Method	Level Percentage of Pay, Open
Amortization Period	20 years
Asset Valuation Method	Market Value
Actuarial Assumptions	
Inflation Rate	2.6 percent, per annum
Investment rate of return	5.5 percent, per annum
Projected Salary Increases	3.5 percent, per annum
Healthcare cost trend rates	7.5 percent in 2025, grading down to 6.60 percent over 3 years following the Getzen model thereafter to an ultimate rate of 4.04 percent in the year 2075. The Retiree Credit Matrix will increase at 5.00 percent per annum.
Participation rate	95 percent of fully eligible pre-65 active employees are assumed to elect medical coverage upon retirement; 95 percent of fully eligible post-65 active employees are assumed to elect coverage upon retirement.
Marital Status	Actual spouse participation and dates of birth were used for retirees; 65 percent of active employees are assumed to cover a spouse at retirement; active males are assumed to be 3 years older than their spouses.
Medical Claims Cost	The claims cost is determined by disaggregating the premium based on plan, coverage tier, and age.

	Age 65 Cost Male	Age 65 Cost Female
Retiree/Spouse:	$22,567	$20,558

Age Variance	Claims were age adjusted each year based on the Dale Yamamoto study released by the Society of Actuaries in June 2013.

(Continued)

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry-Age Normal percentage of Salary
Amortization Method	Level Percentage of Pay, Open
Amortization Period	20 years
Asset Valuation Method	Market Value
Actuarial Assumptions	
Inflation Rate	2.6 percent, per annum
Investment rate of return	5.5 percent, per annum
Projected Salary Increases	3.5 percent, per annum
Healthcare cost trend rates	7.00 percent in 2024 grading down to 5.60 percent over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04 percent in the year 2075. The Retiree Credit Matrix will increase at 5.00 percent, per annum.
Participation rate	95 percent of fully eligible pre-65 active employees are assumed to elect medical coverage upon retirement; 95 percent of fully eligible post-65 active employees are assumed to elect coverage upon retirement.
Marital Status	Actual spouse participation and dates of birth were used for retirees; 65 percent of active employees are assumed to cover a spouse at retirement; active males are assumed to be 3 years older than their spouses.
Medical Claims Cost	The claims cost is determined by disaggregating the premium based on plan, coverage tier, and age.

	Age 65 Cost Male	Age 65 Cost Female
Retiree/Spouse:	$22,342	$20,354

Age Variance	Claims were age adjusted each year based on the Dale Yamamoto study released by the Society of Actuaries in June 2013.

(Continued)

The assumptions were updated in the January 1, 2025 valuation to reflect the following changes:

The medical trend was updated to 7.50% in 2025, grading down to 6.60% over 3 years and following the Getzen model thereafter to an ultimate trend of 4.04% in 2075.

(e) Net OPEB Liability (Asset) at June 30, 2025 and June 30, 2024

The net OPEB asset (NOA) represents the total OPEB liability determined in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, less the associated fiduciary net position. The NOA is reported on the Authority's statements of net position as an other non-current asset.

As of June 30, 2025, the NOA amounts are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balances at December 31, 2023	$ 44,852,580	57,453,877	(12,601,297)
Changes for the year:			
Service cost	2,188,533	-	2,188,533
Interest	2,530,534	-	2,530,534
Differences between expected and actual experience	(2,764,644)	-	(2,764,644)
Change of assumptions	85,817	-	85,817
Contributions - employer	-	1,686,116	(1,686,116)
Net investment income	-	7,619,354	(7,619,354)
Benefit (payments)/refunds	(1,031,407)	(1,031,407)	-
Administrative expenses	-	(186,116)	186,116
Net Changes	1,008,833	8,087,947	(7,079,114)
Balances at December 31, 2024	$ 45,861,413	65,541,824	(19,680,411)

(Continued)

As of June 30, 2024, the NOA amounts are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balances at December 31, 2022	$ 48,668,590	49,171,893	(503,303)
Changes for the year:			
Service cost	2,074,439	-	2,074,439
Interest	2,737,476	-	2,737,476
Differences between expected and actual experience	(7,702,913)	-	(7,702,913)
Change of assumptions	45,721	-	45,721
Contributions - employer	-	3,041,195	(3,041,195)
Net investment income	-	6,392,717	(6,392,717)
Benefit (payments)/refunds	(970,733)	(970,733)	-
Administrative expenses	-	(181,195)	181,195
Net Changes	(3,816,010)	8,281,984	(12,097,994)
Balances at December 31, 2023	$ 44,852,580	57,453,877	(12,601,297)

(f) Trust Investments

The Trust has its own investments, which are reported at fair value and are based on published prices and quotations. At the end of the calendar year, December 31, 2024, the Trust's total assets were $66.6 million, which consisted of money market and mutual funds.

Interest rate risk is the risk that changes in market rates of interest will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

As of December 31, 2024, the Plan had the following investments (including cash equivalents) and maturities:

Investment Type	Less than one year
Money Market Funds	$ 4,204
Mutual Funds	66,569,027
Total	66,573,231

(Continued)

Credit risk is the risk that an issuer or other counterparties to an investment will not fulfill its obligations. The Authority emphasizes securities of high credit quality and marketability. The following table presents investments (including cash equivalents) exposure to credit risk by investment type as of December 31, 2024:

Investment Type		Amount	S&P/Moody's Rating	Percentage of Total Investments
Money Market Funds	$	4,204	NR	0.0%
Mutual Funds		66,569,027	NR	100.0%
Total	$	66,573,231		100.0%

(g) Long-Term Expected Rate of Return

The long-term expected returns were determined using the arithmetic mean after investment expenses on best-estimate ranges of expected future rates of returns from various investment firms, historical market returns, and internal estimates. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Allocation Target Range	Long-Term Expected Rate of Return
U.S. Fixed Income (includes cash and cash equivalents)	25% to 60%	4.00%
U.S. Equity	30% to 75%	6.70%
Foreign Equity	0% to 25%	4.80%

(h) Discount Rate

The discount rate used to measure the total OPEB liability was 5.5% as of December 31, 2024 and 2023. The projections of cash flows used to determine the discount rate assumed that the Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active retirees. Therefore, the long-term expected rate of return on the Plan's investments was applied to all future periods of projected benefit payments to determine the total OPEB liability.

(Continued)

(i) Sensitivity of the Authority's Net OPEB Liability (Asset) to Changes in the Discount Rate

The following represents the net OPEB liability (asset) of the Authority as of June 30, 2025, calculated using the stated discount rate assumption, as well as what the Authority's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.5%) or 1 percentage-point higher (6.5%) than the current discount rate:

Year ending December 31, 2024	1% Decrease	Current	1% Increase
	4.50%	5.50%	6.50%
Net OPEB liability (asset)	$ (12,209,922)	(19,680,411)	(25,711,207)

As of June 30, 2023, the net OPEB liability (asset) of the Authority is as follows:

Year ending December 31, 2023	1% Decrease	Current	1% Increase
	4.50%	5.50%	6.50%
Net OPEB liability (asset)	$ (5,031,563)	(12,601,297)	(18,493,991)

(j) Sensitivity of the Authority's Net OPEB Liability (Asset) to Changes in the Health Care Trend Rate

The following represents the June 30, 2025 net OPEB liability (asset) of the Authority, calculated using the stated health care cost trend assumption, as well as what the Authority's net OPEB liability (asset) would be if it were calculated using a health care cost trend that is 1 percentage-point lower or 1 percentage-point higher than the current health care cost trend rates:

Year ending December 31, 2024	1% Decrease	Current	1% Increase
	6.50% decreasing to 5.60% over 3 years	7.50% decreasing to 6.60% over 3 years	8.50% decreasing to 7.60% over 3 years
Net OPEB liability (asset)	$ (26,208,727)	(19,680,411)	(11,459,155)

(Continued)

As of June 30, 2024, the sensitivity of the Authority's Net OPEB liability (asset) to changes in healthcare trends is as follows:

Year ending December, 31 2023	1% Decrease	Current	1% Increase
	6.00% decreasing to 4.60% over 3 years	7.00% decreasing to 5.60% over 3 years	8.00% decreasing to 6.60% over 3 years
Net OPEB liability (asset)	$ (18,986,900)	(12,601,297)	(4,554,910)

(17) Other Long-Term Liabilities

Activity in the Authority's noncurrent liability accounts, other than bonds payable, for the year ended June 30, 2025 was as follows:

		Balance at June 30, 2024	**Additions**	**Decreases**	**Balance at June 30, 2025**
Project reserves	$	131,865,677	47,204,094	51,357,071	127,712,700
Other liabilities		10,195,610	8,396,109	2,909,269	15,682,450
Compensated absences payable		6,900,155	6,111,989	5,832,016	7,180,128
	$	148,961,442	61,712,192	60,098,356	150,575,278

Activity in the Authority's noncurrent liability accounts, other than bonds payable, for the year ended June 30, 2024 was as follows:

		Balance at June 30, 2023	**Additions**	**Decreases**	**Balance at June 30, 2024**
Project reserves	$	113,844,901	53,610,349	35,589,573	131,865,677
Other liabilities		12,262,508	618,771	2,685,669	10,195,610
Compensated absences payable		6,665,265	5,873,457	5,638,567	6,900,155
	$	132,772,674	60,102,577	43,913,809	148,961,442

(18) Troubled Debt Restructuring

Restructuring 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. The Authority makes every effort to work with borrowers and grants concessions to debtors if the probability of payment from the debtor increases. As of June 30, 2025 and 2024, the Authority has

(Continued)

granted the following concessions to debtors, which are considered troubled debt restructurings. There are no commitments to lend additional resources to debtors who have had a troubled debt restructuring.

Homeownership loans	Year ended June 30, 2025	2024
Aggregated recorded balance	$ 358,615,088	328,975,331
Number of loans	2,491	2,151
Gross interest revenue if loans had been current	13,287,253	10,468,890
Interest revenue included in changes in net position	12,351,521	9,335,206

Rental housing loans	Year ended June 30, 2025	2024
Aggregated recorded balance	$ 9,249,957	9,893,639
Number of loans	8	10
Gross interest revenue if loans had been current	819,059	854,967
Interest revenue included in changes in net position	77,239	308,214

(19) Contingencies and Other Matters

Certain claims, suits, and complaints arising in the ordinary course of business have been filed and are pending against the Authority. In the opinion of management, all such matters are adequately covered by insurance or, if not so covered, are without merit or are of such kind or involve such amounts as would not have a material adverse effect on the basic financial statements of the Authority.

The Authority participates in several Federal financial assistance programs, the principal of which are the HUD loan guarantee programs. Although the Authority's administration of Federal grant programs has been audited in accordance with the provisions of the United States Office of Management and Budget Uniform Guidance, these programs are still subject to financial and compliance audits. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such amounts, if any, to be material in relation to its basic financial statements.

The Authority is exposed to various risks of loss, such as theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The Authority carries commercial insurance for these risks. There have been no significant reductions in insurance coverage from coverage in the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(Continued)

(20) Subsequent Events

Bond Issues and Redemptions:

In addition to scheduled issuances and redemptions, the Authority made issuances of notes and bonds payable after June 30, 2025, as follows:

	Settlement date		Amount
Issues:			
Commonwealth Mortgage Bond 2025 Series F-2 Non-AMT	7/16/2025	$	75,000,000
Commonwealth Mortgage Bond 2025 Series C Taxable	7/16/2025	$	150,000,000
Rental Housing Bond 2025 Series C Non-AMT	7/22/2025	$	36,675,000
Rental Housing Bond 2025 Series D Taxable	8/21/2025	$	57,315,000

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Required Supplementary Information
Retiree Healthcare Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
(unaudited)
Last 8 Calendar Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	$ 2,188,533	2,074,439	1,868,469	1,617,167	1,554,370	1,045,841	984,232	675,928
Interest	2,530,534	2,737,476	2,567,248	2,324,671	2,160,751	1,753,636	1,608,746	1,419,341
Differences between expected and actual experience	(2,764,644)	(7,702,913)	(907,474)	974,668	5,059,834	1,262,503	1,320,653	(228,449)
Changes of assumptions	85,817	45,721	331,586	142,726	(237,815)	(641,942)	370,909	2,830,950
Benefit payments	(1,031,407)	(970,733)	(900,052)	(797,549)	(727,928)	(640,795)	(630,078)	(519,345)
Net change in Total OPEB Liability	1,008,833	(3,816,010)	2,959,777	4,261,683	7,809,212	2,779,243	3,654,462	4,178,425
Total OPEB Liability - beginning	44,852,580	48,668,590	45,708,813	41,447,130	33,637,918	30,858,675	27,204,213	23,025,788
Total OPEB Liability - ending	$ 45,861,413	44,852,580	48,668,590	45,708,813	41,447,130	33,637,918	30,858,675	27,204,213
Plan Fiduciary Net Position								
Contributions - employer	$ 1,686,116	3,041,195	2,958,503	2,279,584	2,168,014	2,111,960	1,952,210	1,758,037
Net investment income	7,619,354	6,392,717	(6,208,512)	7,153,202	3,649,755	6,362,793	(865,732)	3,717,204
Benefit payments	(1,031,407)	(970,733)	(900,052)	(797,549)	(727,928)	(640,795)	(630,078)	(519,345)
Administrative expenses	(186,116)	(181,195)	(178,198)	(97,663)	(127,067)	(172,177)	(186,925)	(117,278)
Net change in Plan Fiduciary Net Position	8,087,947	8,281,984	(4,328,259)	8,537,574	4,962,774	7,661,781	269,475	4,838,618
Plan Fiduciary Net Position - beginning	57,453,877	49,171,893	53,500,152	44,962,578	39,999,804	32,338,023	32,068,548	27,229,930
Plan Fiduciary Net Position - ending	$ 65,541,824	57,453,877	49,171,893	53,500,152	44,962,578	39,999,804	32,338,023	32,068,548
Net OPEB Liability (Asset) - ending	(19,680,411)	(12,601,297)	(503,303)	(7,791,339)	(3,515,448)	(6,361,886)	(1,479,348)	(4,864,335)
Plan Fiduciary Net Position as a % of the Total OPEB Liability	142.9%	128.1%	101.0%	117.0%	108.5%	118.9%	104.8%	117.9%
Covered-employee payroll	$ 60,673,455	58,646,317	52,161,378	46,693,627	42,735,350	41,987,414	37,467,939	33,966,194
Net OPEB Liability as a % of covered-employee payroll	-32.4%	-21.5%	-1.0%	-16.7%	-8.2%	-15.2%	-3.9%	-14.3%

See accompanying independent auditors' report.

(1) This schedule should present 10 years of data; however, the information prior to 2017 is not readily available.

(2) There were no changes in benefit terms for years ended 2024 through 2017.

(3) Assumptions for year ended 2024 through 2017 were updated to reflect changes in the mortality rates, medical trends, and aging assumptions.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Required Supplementary Information
Retiree Healthcare Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
(unaudited)
Last 8 Calendar Years

		2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$	-	-	1,415,861	-	1,310,144	555,921	890,416	297,975
Contributions in relation to the actuarially determined contribution		1,686,116	3,041,195	2,958,503	2,279,584	2,168,014	2,111,960	1,952,210	1,758,037
Contribution deficiency (excess)	$	(1,686,116)	(3,041,195)	(1,542,642)	(2,279,584)	(857,870)	(1,556,039)	(1,061,794)	(1,460,062)
Covered-employee payroll	$	60,673,455	58,646,317	52,161,378	46,693,627	42,735,350	41,987,414	37,467,939	33,966,194
Contributions as a % of covered-employee payroll		2.8%	5.2%	5.7%	4.9%	5.1%	5.0%	5.2%	5.2%

See accompanying independent auditors' report.

(1) This schedule should present 10 years of data; however, the information prior to 2017 is not readily available.

(2) Contributions made to the Plan in 2024 to 2017 were in excess of the actuarial annual required contributions.

(3) The actuarial contribution rate is determined based on the same assumptions as the actuarial lability with a valuation date as of January 1, 2025 using the following actuarial assumptions as discussed in Note 15:

Valuation Date	January 1, 2025
Actuarial Cost Method	Entry-Age Normal percentage of Salary
Amortization Method	Level Percentage of Pay, Open
Amortization Period	20 years
Asset Valuation Method	Market Value
Actuarial Assumptions	
Inflation Rate	2.6 percent, per annum
Investment rate of return	5.5 percent, per annum
Projected Salary Increases	3.5 percent, per annum
Healthcare cost trend rates	7.5 percent in 2025, grading down to 6.60 percent over 3 years following the Getzen model thereafter to an ultimate rate of 4.04 percent in the year 2075. The Retiree Credit Matrix will increase at 5.00 percent per annum.
Participation rate	95 percent of fully eligible pre-65 active employees are assumed to elect medical coverage upon retirement; 95 percent of fully eligible post-65 active employees are assumed to elect coverage upon retirement.
Marital Status	Actual spouse participation and dates of birth were used for retirees; 65 percent of active employees are assumed to cover a spouse at retirement; active males are assumed to be 3 years older than their spouses.
Medical Claims Cost	The claims cost is determined by disaggregating the premium based on plan, coverage tier, and age.

	Age 65 Cost Male	Age 65 Cost Female
Retiree/Spouse:	$22,567	$20,558

Age Variance	Claims were age adjusted each year based on the Dale Yamamoto study released by the Society of Actuaries in June 2013.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
June 30, 2025

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	$ 173,685,570	901,405,982	628,475,419	8,297,088	1,711,864,059
Investments	46,336,549	339,918,285	230,020,732	3,097,434	619,373,000
Interest receivable – investments	3,413,277	13,470,936	9,625,067	161,949	26,671,229
Mortgage loans held for sale	-	-	79,589,598	-	79,589,598
Mortgage and other loans receivable, net	11,658,664	105,598,660	80,506,216	3,923,262	201,686,802
Interest receivable – mortgage and other loans	1,122,797	22,005,768	10,921,732	246,647	34,296,944
Other real estate owned	5,426,940	-	864,716	-	6,291,656
Other assets	16,285,002	-	-	-	16,285,002
Total current assets	257,928,799	1,382,399,631	1,040,003,480	15,726,380	2,696,058,290
Noncurrent assets:					
Investments	494,303,350	-	145,729,759	-	640,033,109
Mortgage and other loans receivable	480,155,604	5,452,125,690	3,061,924,328	84,340,503	9,078,546,125
Less allowance for loan loss	26,609,691	75,198,477	49,446,928	825,679	152,080,775
Mortgage and other loans receivable, net	453,545,913	5,376,927,213	3,012,477,400	83,514,824	8,926,465,350
Capital Assets, net of accumulated depreciation and amortization of $69,246,751	27,422,531	5,529,720	-	-	32,952,251
Mortgage servicing rights, net	17,466,412	-	-	-	17,466,412
Other Assets	37,155,327	-	-	-	37,155,327
Total noncurrent assets	1,029,893,533	5,382,456,933	3,158,207,159	83,514,824	9,654,072,449
Total assets	1,287,822,332	6,764,856,564	4,198,210,639	99,241,204	12,350,130,739
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,374,522	-	-	-	1,374,522
Other postemployment benefits - difference between expected and actual experience	4,655,454	-	-	-	4,655,454
Total Deferred outflows of resources	6,029,976	-	-	-	6,029,976

(Continued)

Schedule 3

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Net Position

June 30, 2025

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	400,000,000	95,900,000	207,345,572	1,484,368	704,729,940
Accrued interest payable on notes and bonds	996,361	42,548,986	33,560,798	83,896	77,190,041
Escrows	50,997,689	-	-	-	50,997,689
Federal grand awards held	1,334,590	-	-	-	1,334,590
Derivative instruments	-	-	575,152	-	575,152
Accounts payable and other liabilities	49,242,256	-	3,485	-	49,245,741
Total current liabilities	502,570,896	138,448,986	241,485,007	1,568,264	884,073,153
Noncurrent liabilities:					
Bonds payable, net	-	4,838,927,750	2,377,941,957	29,492,505	7,246,362,212
Project reserves	127,712,700	-	-	-	127,712,700
Loan participation payable to Federal Financing Bank	32,316,895	-	-	-	32,316,895
Other (assets) liabilities	19,748,979	3,047,300	66,299	-	22,862,578
Total noncurrent liabilities	179,778,574	4,841,975,050	2,378,008,256	29,492,505	7,429,254,385
Total liabilities	682,349,470	4,980,424,036	2,619,493,263	31,060,769	8,313,327,538
Deferred inflows of resources					
Deferred fees and points on multifamily loans	561,570	66,049,626	-	-	66,611,196
Other postemployment benefits - change in assumptions	430,519	-	-	-	430,519
Other postemployment benefits - difference between expected and actual experience	9,812,467	-	-	-	9,812,467
Other postemployment benefits - difference between projected and actual earning	2,873,277	-	-	-	2,873,277
Total deferred inflows of resources	13,677,833	66,049,626	-	-	79,727,459
Net position:					
Net investment in capital assets	8,605,152	(719,760)	-	-	7,885,392
Restricted OPEB asset	19,680,411	-	-	-	19,680,411
Restricted by bond indentures	-	1,719,102,662	1,578,717,376	68,180,435	3,366,000,473
Unrestricted	569,539,442	-	-	-	569,539,442
Total net position	$ 597,825,005	1,718,382,902	1,578,717,376	68,180,435	3,963,105,718

See accompanying independent auditors' report.

Schedule 4

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2025

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	$ 18,500,642	244,287,847	155,568,190	3,834,492	422,191,171
Investment earnings:					
Investment income	21,920,947	50,595,698	46,612,143	1,257,934	120,386,722
Realized loss on investments	(3,003)	-	-	-	(3,003)
Unrealized gain (loss) on investments	2,705,841	899,633	9,453,793	(37,584)	13,021,683
Housing Choice Voucher program administrative income	10,254,976	-	-	-	10,254,976
Gains and recoveries on sale of other real estate owned	595,248	-	187,164	-	782,412
Gains on sale of single family mortgage loans	-	-	9,542,314	-	9,542,314
Mortgage servicing fees net of guaranty fees	41,263,706	-	-	-	41,263,706
Tax credit program fees earned	12,034,028	-	-	-	12,034,028
Other	1,754,132	10,025,619	30,507	-	11,810,258
Total operating revenues	109,026,517	305,808,797	221,394,111	5,054,842	641,284,267
Operating expenses:					
Interest on notes and bonds payable	19,888,291	167,516,876	96,913,660	1,060,416	285,379,243
Salaries and related employee benefits	86,088,065	-	-	-	86,088,065
General operating expenses	38,047,842	-	2,192	-	38,050,034
Note and bond expenses	1,363,629	-	-	-	1,363,629
Bond issuance expenses	87,257	4,235,432	5,598,716	-	9,921,405
Grant expenses	64,661,005	-	-	-	64,661,005
Housing Choice Voucher program expenses	7,287,445	-	-	-	7,287,445
Mortgage servicing rights amortization and other servicing costs	16,962,482	-	16,838,135	-	33,800,617
Losses on other real estate owned	1,178,386	-	274,661	12,790	1,465,837
Provision for loan losses	(7,410,441)	3,598,985	13,455,487	(11,044)	9,632,987
Total operating expenses	228,153,961	175,351,293	133,082,851	1,062,162	537,650,267
Operating income (expense)	(119,127,444)	130,457,504	88,311,260	3,992,680	103,634,000
Nonoperating revenues (expenses):					
Pass-through grant awards	112,112,431	-	-	-	112,112,431
Pass-through grants expenses	(112,112,431)	-	-	-	(112,112,431)
Total nonoperating revenues, net	-	-	-	-	-
Income (loss) before transfers	(119,127,444)	130,457,504	88,311,260	3,992,680	103,634,000
Transfers between funds	184,562,446	(83,324,909)	(60,269,334)	(40,968,203)	-
Change in net position	65,435,002	47,132,595	28,041,926	(36,975,523)	103,634,000
Total net position, beginning of year	532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718
Total net position, end of year	$ 597,825,005	1,718,382,902	1,578,717,376	68,180,435	3,963,105,718

See accompanying independent auditors' report.

Schedule 5

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
June 30, 2025

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 78,005,910	3,998,996	8,139,960	1,578,747	91,723,613
Interest receivable - investments	-	51,958	76,724	23,003	151,685
Interest receivable - mortgage and other loans	-	68,280	106,812	20,058	195,150
Other assets	-	213	-	-	213
Total current assets	78,005,910	4,119,447	8,323,496	1,621,808	92,070,661
Noncurrent assets:					
Mortgage and other loans receivable	-	1,654,120	-	-	1,654,120
Total noncurrent assets	-	1,654,120	-	-	1,654,120
Total assets	78,005,910	5,773,567	8,323,496	1,621,808	93,724,781
LIABILITIES					
Other liabilities	-	753,918	7,626,951	1,339,162	9,720,031
Total liabilities	-	753,918	7,626,951	1,339,162	9,720,031
NET POSITION					
Restricted for:					
Funds held in escrow	78,005,910	-	-	-	78,005,910
Other governmental agency	-	5,019,649	696,545	282,646	5,998,840
Total Net Position	$ 78,005,910	5,019,649	696,545	282,646	84,004,750

See accompanying independent auditors' report.

Schedule 6

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
Year Ended June 30, 2025

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ADDITIONS					
Contribution:					
Borrower payments	$ 1,754,587,838	-	-	-	1,754,587,838
Total Contributions	1,754,587,838	-	-	-	1,754,587,838
Investment earnings:					
Interest, dividends, and other	-	1,109,950	1,251,605	371,636	2,733,191
Total investment earnings	-	1,109,950	1,251,605	371,636	2,733,191
Total additions	1,754,587,838	1,109,950	1,251,605	371,636	1,757,321,029
DEDUCTIONS					
Other governmental agency	-	838,456	857,694	265,173	1,961,323
Disbursement of escrow funds	1,734,773,615	-	-	-	1,734,773,615
Distributions to DHCD	-	500,000	-	-	500,000
Administrative expense	-	23,750	-	-	23,750
Total deductions	1,734,773,615	1,362,206	857,694	265,173	1,737,258,688
Net increase/(decrease) in fiduciary net position	19,814,223	(252,256)	393,911	106,463	20,062,341
Net position - beginning of year	58,191,687	5,271,905	302,634	176,183	63,942,409
Net position - end of year	$ 78,005,910	5,019,649	696,545	282,646	84,004,750

See accompanying independent auditors' report.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
June 30, 2024

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	$ 170,273,704	710,408,291	650,544,525	32,885,553	1,564,112,073
Investments	41,739,964	229,696,458	206,143,927	10,686,401	488,266,750
Interest receivable – investments	3,775,844	12,251,445	11,552,608	547,344	28,127,241
Mortgage loans held for sale	-	-	52,347,248	-	52,347,248
Mortgage and other loans receivable, net	10,396,803	97,946,712	68,457,872	3,941,253	180,742,640
Interest receivable – mortgage and other loans	1,032,408	19,766,388	7,742,522	274,983	28,816,301
Other real estate owned	2,779,928	-	1,242,096	-	4,022,024
Other assets	16,690,492	-	4,121	-	16,694,613
Total current assets	246,689,143	1,070,069,294	998,034,919	48,335,534	2,363,128,890
Noncurrent assets:					
Investments	497,351,792	-	208,775,263	-	706,127,055
Mortgage and other loans receivable	407,629,548	5,191,708,320	2,208,197,203	92,188,321	7,899,723,392
Less allowance for loan loss	34,197,979	71,599,493	36,492,591	833,315	143,123,378
Mortgage and other loans receivable, net	373,431,569	5,120,108,827	2,171,704,612	91,355,006	7,756,600,014
Capital Assets, net of accumulated depreciation and amortization of $73,109,731	21,263,649	6,226,154	-	-	27,489,803
Mortgage servicing rights, net	26,601,200	-	-	-	26,601,200
Other Assets	29,597,420	-	-	-	29,597,420
Total noncurrent assets	948,245,630	5,126,334,981	2,380,479,875	91,355,006	8,546,415,492
Total assets	1,194,934,773	6,196,404,275	3,378,514,794	139,690,540	10,909,544,382
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,627,852	-	-	-	1,627,852
Other postemployment benefits - difference between expected and actual experience	5,393,161	-	-	-	5,393,161
Other postemployment benefits - difference between projected and actual earning	585,200	-	-	-	585,200
Total Deferred outflows of resources	7,606,213	-	-	-	7,606,213

(Continued)

Schedule 7

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Net Position
June 30, 2024

Liabilities	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Current liabilities:					
Notes and bonds payable	400,000,000	103,070,000	86,438,080	1,503,230	591,011,310
Accrued interest payable on notes and bonds	720,640	36,656,348	18,198,678	93,279	55,668,945
Escrows	37,001,478	-	-	-	37,001,478
Federal grand awards held	4,670,946	-	-	-	4,670,946
Derivative instruments	-	-	104,711	-	104,711
Accounts payable and other liabilities	39,111,975	-	-	-	39,111,975
Total current liabilities	481,505,039	139,726,348	104,741,469	1,596,509	727,569,365
Noncurrent liabilities:					
Bonds payable, net	-	4,319,113,778	1,723,097,875	32,938,073	6,075,149,726
Project reserves	131,865,677	-	-	-	131,865,677
Loan participation payable to Federal Financing Bank	33,186,655	-	-	-	33,186,655
Other (assets) liabilities	14,683,468	2,412,297	-	-	17,095,765
Total noncurrent liabilities	179,735,800	4,321,526,075	1,723,097,875	32,938,073	6,257,297,823
Total liabilities	661,240,839	4,461,252,423	1,827,839,344	34,534,582	6,984,867,188
Deferred inflows of resources					
Deferred fees and points on multifamily loans	440,133	63,901,545	-	-	64,341,678
Other postemployment benefits - change in assumptions	508,695	-	-	-	508,695
Other postemployment benefits - difference between expected and actual experience	7,961,316	-	-	-	7,961,316
Total deferred inflows of resources	8,910,144	63,901,545	-	-	72,811,689
Net position:					
Net investment in capital assets	7,913,922	(337,473)	-	-	7,576,449
Restricted OPEB asset	12,601,297	-	-	-	12,601,297
Restricted by bond indentures	-	1,671,587,780	1,550,675,450	105,155,958	3,327,419,188
Unrestricted	511,874,784	-	-	-	511,874,784
Total net position	$ 532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2024

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	$ 16,032,346	221,887,571	98,142,391	4,171,718	340,234,026
Investment earnings:					
Investment income	22,146,763	46,182,568	45,284,854	2,038,025	115,652,210
Realized loss on investments	(3,447)	-	(26,239)	-	(29,686)
Unrealized loss on investments	(16,931,732)	1,223,719	8,346,860	56,932	(7,304,221)
Housing Choice Voucher program administrative income	10,510,743	-	-	-	10,510,743
Gains and recoveries on sale of other real estate owned	444,961	322,929	491,678	90,900	1,350,468
Gains on sale of single family mortgage loans	-	-	8,959,056	-	8,959,056
Mortgage servicing fees net of guaranty fees	41,945,145	-	-	-	41,945,145
Tax credit program fees earned	11,393,590	-	-	-	11,393,590
Other	8,118,252	11,164,555	14,133	-	19,296,940
Total operating revenues	93,656,621	280,781,342	161,212,733	6,357,575	542,008,271
Operating expenses:					
Interest on notes and bonds payable	22,260,173	139,615,352	48,074,075	1,165,617	211,115,217
Salaries and related employee benefits	82,379,072	-	-	-	82,379,072
General operating expenses	40,956,203	-	3,515	-	40,959,718
Note and bond expenses	1,766,623	-	-	-	1,766,623
Bond issuance expenses	74,747	3,786,357	5,612,831	-	9,473,935
Grant expenses	50,056,555	-	-	-	50,056,555
Housing Choice Voucher program expenses	9,898,309	-	-	-	9,898,309
Mortgage servicing rights amortization and other servicing costs	19,989,121	-	10,230,133	-	30,219,254
Losses on other real estate owned	1,351,585	-	297,868	11,129	1,660,582
Provision for loan losses	(4,653,351)	27,341,763	7,454,390	11,782	30,154,584
Total operating expenses	224,079,037	170,743,472	71,672,812	1,188,528	467,683,849
Operating income (expense)	(130,422,416)	110,037,870	89,539,921	5,169,047	74,324,422
Nonoperating revenues (expenses):					
Pass-through grant awards	170,785,271	-	-	-	170,785,271
Pass-through grants expenses	(170,785,271)	-	-	-	(170,785,271)
Total nonoperating revenues, net	-	-	-	-	-
Income (loss) before transfers	(130,422,416)	110,037,870	89,539,921	5,169,047	74,324,422
Transfers between funds	204,662,190	(104,038,492)	(100,898,459)	274,761	-
Change in net position	74,239,774	5,999,378	(11,358,538)	5,443,808	74,324,422
Total net position, beginning of year	458,150,229	1,665,250,929	1,562,033,988	99,712,150	3,785,147,296
Total net position, end of year	$ 532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Fiduciary Net Position
Fiduciary Funds – Custodial Funds
June 30, 2024

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 58,191,687	7,846,806	8,628,900	3,057,281	77,724,674
Interest receivable - investments	-	83,313	56,468	31,443	171,224
Interest receivable - mortgage and other loans	-	63,768	87,520	13,516	164,804
Other assets	-	213	-	-	213
Total current assets	58,191,687	7,994,100	8,772,888	3,102,240	78,060,915
Noncurrent assets:					
Mortgage and other loans receivable	-	2,177,870	-	-	2,177,870
Total noncurrent assets	-	2,177,870	-	-	2,177,870
Total assets	58,191,687	10,171,970	8,772,888	3,102,240	80,238,785
LIABILITIES					
Other liabilities	-	4,900,065	8,470,254	2,926,057	16,296,376
Total liabilities	-	4,900,065	8,470,254	2,926,057	16,296,376
NET POSITION					
Restricted for:					
Funds held in escrow	58,191,687	-	-	-	58,191,687
Other governmental agency	-	5,271,905	302,634	176,183	5,750,722
Total Net Position	$ 58,191,687	5,271,905	302,634	176,183	63,942,409

Schedule 10

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds – Custodial Funds
Year Ended June 30, 2024

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ADDITIONS					
Contribution:					
Borrower payments	$ 1,599,983,911	-	-	-	1,599,983,911
Total Contributions	1,599,983,911	-	-	-	1,599,983,911
Investment earnings:					
Interest, dividends, and other	-	1,114,684	860,498	335,684	2,310,866
Total investment earnings	-	1,114,684	860,498	335,684	2,310,866
Total additions	1,599,983,911	1,114,684	860,498	335,684	1,602,294,777
DEDUCTIONS					
Other governmental agency	-	773,423	631,128	196,093	1,600,644
Disbursement of escrow funds	1,617,127,705	-	-	-	1,617,127,705
Distributions to DHCD	-	525,000	-	-	525,000
Administrative expense	-	26,932	-	-	26,932
Total deductions	1,617,127,705	1,325,355	631,128	196,093	1,619,280,281
Net (decrease)/increase in fiduciary net position	(17,143,794)	(210,671)	229,370	139,591	(16,985,504)
Net position - beginning of year	75,335,481	5,482,576	73,264	36,592	80,927,913
Net position - end of year	$ 58,191,687	5,271,905	302,634	176,183	63,942,409

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Virginia Housing Development Authority
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Virginia Housing Development Authority (the Authority), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2025 (except for the Retiree Health Care Plan fiduciary fund, which is 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, and have issued our report thereon dated September 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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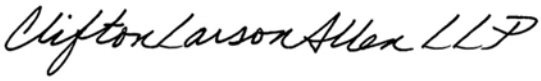
Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Arlington, Virginia
September 9, 2025

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Basic Financial Statements and
Supplementary Information

March 31, 2026 and 2025

(Unaudited)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

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VIRGINIA HOUSING AND DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)

Summary of the Quarterly Report

March 31, 2026 and 2025

(Unaudited)

This condensed report provides highlights of the financial performance of the Virginia Housing Development Authority (the Authority) for the third quarter of fiscal year 2026. The information provided is an abbreviated version of the full financial report published annually. Sections and notes included are based on an analysis of significant interim information necessary to provide an accurate representation of the Authority's year-to-date activity.

The basic financial statements consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, the Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position and the accompanying abbreviated notes to the basic financial statements constitute the condensed financial statements.

The *Statement of Net Position* reports all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, presented in order of liquidity and using the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is presented as net position and is displayed in four components: net investment in capital assets; restricted OPEB asset, restricted portion of net position; and unrestricted portion of net position. Net position is restricted when external constraints are placed upon its use, such as bond indentures, legal agreements, or statutes. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* identifies all the Authority's revenues and expenses for the reporting period, distinguishing between operating and nonoperating activities. This statement measures the success of the Authority's operations for the third quarter and can be used to determine whether the Authority has successfully recovered all of its costs through mortgage loan income, investment income, externally funded programs, and other revenue sources.

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities. This statement provides information regarding the sources and use of cash and the change in cash during the reporting period.

The *Statement of Fiduciary Net Position* reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position of pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial position of activities that the Authority has stewardship of that are not assets or liabilities of the Authority.

The *Statement of Changes in Fiduciary Net Position* reports the additions and deductions from pension (and other employee benefit) trust funds and custodial funds. The purpose of this statement is to report the financial activities, which include the receipts and disbursements of funds the Authority has stewardship of but are not included in the Authority's financial activities.

(Continued)

The *Notes to Basic Financial Statements* provide additional information that is essential for understanding financial data that may not be displayed on the face of the basic financial statements and, as such, are an integral part of the Authority's financial statements. The report includes abbreviated notes, which are necessary to provide context for the interim financial activity.

The most recent audited financial report as of June 30, 2025, is available on the Authority's website at www.virginiahousing.com/partners/investors/financial-statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
March 31, 2026 and 2025
(Unaudited)

		2026	2025
Assets			
Current assets:			
Cash and cash equivalents (note 3)	$	1,931,591,610	1,745,568,189
Investments (note 3)		403,125,198	803,019,600
Interest receivable – investments		20,339,870	24,362,042
Derivative instruments (note 1)		231,949	-
Mortgage loans held for sale (note 1)		41,740,274	50,667,625
Mortgage and other loans receivable, net (note 1)		222,568,654	193,865,200
Interest receivable – mortgage and other loans		39,192,315	32,307,778
Other real estate owned		13,566,449	4,121,664
Other assets		16,903,902	14,623,838
Total current assets		2,689,260,221	2,868,535,936
Noncurrent assets:			
Investments (note 3)		600,950,883	657,928,375
Mortgage and other loans receivable		10,308,515,250	8,800,475,966
Less allowance for loan loss (note 1)		172,196,315	161,805,950
Mortgage and other loans receivable, net		10,136,318,935	8,638,670,016
Capital Assets, net of accumulated depreciation and amortization of $58,924,293 and $68,178,975, respectively		39,260,300	29,366,903
Mortgage servicing rights, net (note 1)		13,075,929	19,745,006
Other assets		37,426,253	30,016,480
Total noncurrent assets		10,827,032,300	9,375,726,780
Total assets		13,516,292,521	12,244,262,716
Deferred outflows of resources			
Other postemployment benefits - change in assumptions (note 1)		1,374,522	1,627,852
Other postemployment benefits - difference between expected and actual experience (note 1)		4,655,454	5,393,161
Other postemployment benefits - difference between projected and actual earning (note 1)		-	585,200
Total deferred outflows of resources		6,029,976	7,606,213

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Net Position
March 31, 2026 and 2025
(Unaudited)

		2026	2025
Liabilities			
Current liabilities:			
Notes and bonds payable (note 4)	$	593,245,749	548,048,330
Accrued interest payable on notes and bonds		108,648,204	91,112,467
Escrows		81,967,762	79,887,447
Federal grant awards held		-	1,750,895
Derivative instruments		-	60,566
Accounts payable and other liabilities		46,646,196	48,801,614
Total current liabilities		830,507,911	769,661,319
Noncurrent liabilities:			
Bonds payable, net (note 4)		8,428,314,787	7,292,436,267
Project reserves		122,998,680	129,664,052
Loan participation payable to Federal Financing Bank (note 5)		31,641,188	32,537,631
Other liabilities		21,605,069	20,253,464
Total noncurrent liabilities		8,604,559,724	7,474,891,414
Total liabilities		9,435,067,635	8,244,552,733
Deferred inflows of resources			
Deferred fees and points on multifamily loans		67,721,361	65,162,337
Other postemployment benefits - change in assumptions (note1)		430,519	508,695
Other postemployment benefits - difference between expected and actual experience (note 1)		9,812,467	7,961,316
Other postemployment benefits - difference between projected and actual earning (note 1)		2,873,277	-
Total deferred inflows of resources		80,837,624	73,632,348
Net position (note 1):			
Net investment in capital assets		22,085,499	7,513,492
Restricted OPEB asset		19,680,411	12,601,297
Restricted by bond indentures		3,344,196,370	3,334,829,092
Unrestricted		620,454,958	578,739,967
Total net position	$	4,006,417,238	3,933,683,848

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statements of Revenues, Expenses, and Changes in Net Position
Nine months ended March 31, 2026 and 2025
(Unaudited)

		2026	2025
Operating revenues:			
Interest on mortgage and other loans receivable	$	368,152,972	310,779,354
Investment earnings:			
Investment income		83,487,003	91,028,213
Realized loss on investments		(1,940)	(2,306)
Unrealized gain on investments		10,170,036	14,561,257
Housing Choice Voucher program administrative income		11,126,448	7,736,505
Gains and recoveries on sale of other real estate owned		669,094	615,456
Gains on sale of single family mortgage loans		8,864,936	7,693,884
Mortgage servicing fees net of guaranty fees		28,414,663	31,374,206
Tax credit program fees earned		10,667,987	10,461,007
Other		9,923,316	7,610,073
Total operating revenues		531,474,515	481,857,649
Operating expenses:			
Interest on notes and bonds payable		259,791,003	207,675,471
Salaries and related employee benefits		63,022,014	63,265,828
General operating expenses		31,393,285	28,817,868
Note and bond expenses		1,459,772	1,116,145
Bond issuance expenses		7,978,359	8,446,216
Grant expenses		67,076,571	46,303,391
Housing Choice Voucher program expenses (note 1)		7,466,774	5,724,740
Mortgage servicing rights amortization and other servicing costs		27,780,932	26,042,048
Losses on other real estate owned (note 1)		1,255,824	1,082,258
Provision for loan losses (note 1)		20,938,461	19,171,554
Total operating expenses		488,162,995	407,645,519
Operating income		43,311,520	74,212,130
Nonoperating revenues (expenses):			
Pass-through grant awards (note 1)		85,130,841	83,718,614
Pass-through grants expenses (note 1)		(85,130,841)	(83,718,614)
Total nonoperating revenues, net		-	-
Change in net position		43,311,520	74,212,130
Total net position, beginning of year		3,963,105,718	3,859,471,718
Total net position, end of nine months	$	4,006,417,238	3,933,683,848

See accompanying notes to basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Cash Flows

Nine months ended March 31, 2026 and 2025

(Unaudited)

	2026	2025
Cash flows from operating activities:		
Cash payments for mortgage and other loans	$ (1,929,026,357)	(1,500,841,890)
Principal repayments on mortgage and other loans	480,742,945	376,110,372
Sale of mortgage loans	210,015,284	205,290,636
Interest received on mortgage and other loans	361,348,904	305,862,402
Pass-through grant awards received	83,796,252	80,798,564
Pass-through grant awards disbursed	(85,130,842)	(82,581,696)
Grant administrative fees received	-	1,173,578
Housing Choice Voucher payments received	12,112,043	7,509,157
Housing Choice Voucher payments disbursed	(9,996,318)	(7,084,296)
Escrow and project reserve payments received	244,813,110	252,049,156
Escrow and project reserve payments disbursed	(218,557,058)	(211,364,812)
Other operating revenues	64,041,933	65,397,526
Cash received for loan origination fees and loan discounts	11,832,395	11,905,034
Cash paid for loan origination fees and loan premiums	(5,821,945)	(4,408,534)
Cash payments for salaries and related benefits	(63,311,443)	(63,962,006)
Cash payments on grants	(67,076,571)	(46,303,391)
Cash payments for general operating expenses	(30,129,434)	(17,608,635)
Cash payments for servicing release premiums and guaranty fees	(31,368,702)	(26,782,585)
Proceeds from sale of other real estate owned	17,570,816	7,405,220
Net cash used in operating activities	(954,144,988)	(647,436,200)
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	1,221,385,000	1,539,195,000
Principal payments on notes and bonds	(150,957,800)	(364,978,142)
Principal payments on loan participation - FFB	(675,707)	(649,024)
Interest payments on notes and bonds	(228,291,657)	(172,125,242)
Cash payments for bond issuance expenses	(7,978,359)	(8,446,217)
Net cash provided by noncapital financing activities	833,481,477	992,996,375
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(9,078,589)	(1,246,406)
Lease payments	(498,750)	(633,490)
Subscription-based information technology payments	(4,618,214)	(4,891,441)
Net cash used in capital and related financing activities	(14,195,553)	(6,771,337)
Cash flows from investing activities:		
Purchases of investments	(400,789,721)	(797,972,704)
Proceeds from sales or maturities of investments	665,557,650	545,846,268
Interest received on investments	89,818,686	94,793,714
Net cash provided by/(used in) investing activities	354,586,615	(157,332,722)
Net increase in cash and cash equivalents	219,727,551	181,456,116
Cash and cash equivalents, at beginning of year	1,711,864,059	1,564,112,073
Cash and cash equivalents, at end of nine months	$ 1,931,591,610	1,745,568,189

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

(A Component Unit of the Commonwealth of Virginia)

Statements of Cash Flows

Nine months ended March 31, 2026 and 2025

(Unaudited)

		2026	2025
Reconciliation of operating income to net cash used in operating activities:			
Operating income	$	43,311,520	74,212,130
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:			
Depreciation of property, furniture, and equipment		1,835,142	1,623,256
Amortization of right to use asset		4,750,857	4,323,752
Bond issuance costs		7,978,359	8,446,216
Investment earnings		(93,655,099)	(105,587,164)
Interest on notes and bonds payable		259,791,003	207,675,471
Decrease in mortgage loans held for sale		37,849,324	1,679,623
Increase in mortgage and other loans receivable		(1,250,850,977)	(913,875,134)
Increase in allowance for loan loss		20,115,540	18,682,572
Increase in interest receivable – mortgage and other loans		(4,895,371)	(3,491,477)
Increase in other real estate owned		(7,274,793)	(99,640)
Decrease in mortgage servicing rights		4,390,483	6,856,194
(Increase)/decrease in other assets		(889,827)	1,651,715
Increase in deferred inflows of resources		1,110,165	820,659
Decrease in Federal funds held		(1,334,590)	(2,920,051)
(Decrease)/Increase in accounts payable and other liabilities		(2,533,743)	11,792,562
Increase in escrows and project reserves		26,157,019	40,773,116
Net cash used in operating activities	$	(954,144,988)	(647,436,200)
Supplemental disclosure of noncash activity:			
Increase in other real estate owned as a result of loan foreclosures	$	24,228,210	7,028,661

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Fiduciary Net Position
Fiduciary Funds
March 31, 2026 and 2025
(Unaudited)

	2026		2025	
	Retiree Health Care Plan*	Custodial Funds	Retiree Health Care Plan*	Custodial Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 4,798	113,096,695	4,156	211,562,172
Interest receivable - investments	-	113,525	-	130,812
Interest receivable - mortgage and other loans	-	225,393	-	193,870
Other assets	-	212	-	212
Total current assets	4,798	113,435,825	4,156	211,887,066
Noncurrent assets:				
Mortgage and other loans receivable	-	1,631,558	-	2,154,120
Investments	73,005,058	-	65,962,562	-
Total noncurrent assets	73,005,058	1,631,558	65,962,562	2,154,120
Total assets	73,009,856	115,067,383	65,966,718	214,041,186
LIABILITIES				
Other liabilities	-	16,736,244	-	5,160,971
Total liabilities	-	16,736,244	-	5,160,971
NET POSITION				
Restricted for:				
Other postemployment benefit plan other than pension	73,009,856	-	65,966,718	-
Funds held in escrow	-	92,006,635	-	202,527,765
Other governmental agency	-	6,324,504	-	6,352,450
Total Net Position	$ 73,009,856	98,331,139	65,966,718	208,880,215

*September 30, 2025 and 2024 nine months ended.
See accompanying notes to the basic financial statements.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Nine months ended March 31, 2026 and 2025
(Unaudited)

	2026		2025	
	Retiree Health Care Plan*	**Custodial Funds**	**Retiree Health Care Plan***	**Custodial Funds**
ADDITIONS				
Contribution:				
Borrower payments	$ -	1,289,485,625	-	1,327,693,083
Employers	113,426	-	1,607,487	-
Total Contributions	113,426	1,289,485,625	1,607,487	1,327,693,083
Investment earnings:				
Net increase in fair value of investments	5,937,523	-	5,559,815	-
Interest, dividends, and other	1,296,355	2,293,249	1,269,544	1,833,118
Securities lending income gain on sales	234,154	-	183,482	-
Total investment earnings	7,468,032	2,293,249	7,012,841	1,833,118
Total additions	7,581,458	1,291,778,874	8,620,328	1,329,526,201
DEDUCTIONS				
Other governmental agency	-	1,967,585	-	1,231,390
Disbursement of escrow funds	-	1,275,484,900	-	1,183,357,005
Administrative expense	113,426	-	107,487	-
Total deductions	113,426	1,277,452,485	107,487	1,184,588,395
Net increase in fiduciary net position	7,468,032	14,326,389	8,512,841	144,937,806
Net position - beginning of year	65,541,824	84,004,750	57,453,877	63,942,409
Net position - end of nine months	$ 73,009,856	98,331,139	65,966,718	208,880,215

*September 30, 2025 and 2024 nine months ended.
See accompanying notes to the basic financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Virginia Housing Development Authority (Authority) was created under the Virginia Housing Development Authority Act, as amended (Act), enacted by the 1972 Session of the Virginia General Assembly. The Act empowers the Authority, among other authorized activities, to finance the acquisition, construction, rehabilitation, and ownership of housing intended for occupancy or ownership, or both, by families of low or moderate income. Mortgage loans are generally financed by the proceeds of notes, bonds, or other debt obligations of the Authority or by Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC) guaranteed mortgage-backed securities (see note 1 (f)). The notes, bonds, and other debt obligations do not constitute a debt or grant or loan of credit of the Commonwealth of Virginia (Commonwealth), and the Commonwealth is not liable for the repayment of such obligations.

For financial reporting purposes, the Authority is a component unit of the Commonwealth. The accounts of the Authority, along with other component units, are combined to form the component units of the Commonwealth. The Authority reports all its activities as a single enterprise fund, in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). See note 2 for further discussion.

(b) Measurement Focus and Basis of Accounting

The Authority utilizes the economic resources measurement focus and accrual basis of accounting in preparing its basic financial statements, where revenues are recognized when earned and expenses when incurred. The accounts are organized on the basis of funds and groups of funds, which are set up in accordance with the Act and the various note and bond resolutions.

(c) Use of Estimates

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and judgments that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosures of contingencies at the date of the basic financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

(d) Investments

Investments include various debt and asset-backed securities, which are reported at fair value in the Statements of Net Position, with changes in fair value recognized in investment income in the Statements of Revenues, Expenses, and Changes in Net Position. The fair value of the debt securities and asset-backed securities is derived from management's review of third-party pricing services that use various models that are based on quoted market prices when available or on adjusted values in relation to observable prices on similar investments. If investments are sold, then the resulting realized gains or losses are reported separately in the Statements of Revenues, Expenses, and Changes in Net Position.

(e) Derivative Instruments

Forward sales securities commitments are utilized to hedge changes in the fair value of mortgage loan inventory and commitments to originate mortgage loans. At March 31, 2026, the Authority had outstanding 37 forward sales transactions with a book value of $73.6 million across four counterparties.

At March 31, 2025, the Authority had outstanding 25 forward sales transactions with a book value of $76.8 million across five counterparties.

(f) Mortgage Loans Held for Sale

The Authority is an authorized issuer of GNMA, FNMA and FHLMC Mortgage-Backed Securities (MBS). Through the MBS programs, GNMA, FNMA and FHLMC guarantee securities that are backed by pools of mortgage loans originated or purchased by the Authority. These mortgage loan securitizations are treated as sales for accounting and reporting purposes. Upon the sale, the Authority no longer recognizes the mortgage loans receivable in the Statements of Net Position.

Mortgage loans originated or acquired with the intent to sell through the MBS programs are carried at the lower of cost or fair value. The fair values of the loans are based on observable market prices for similar instruments traded on the secondary mortgage loan markets. Any gains or losses on loan sales are reported in the Statements of Revenues, Expenses, and Changes in Net Position.

(g) Mortgage and Other Loans Receivable

Mortgage and other loans receivable are stated at their unpaid principal balance, net of premiums and discounts and an allowance for loan losses. Pricing premiums and discounts are deferred and amortized, using the interest method, over the contractual life of the loans as an adjustment to yield. The interest method is computed on a loan-by-loan basis and any unamortized premiums and discounts on loans fully repaid are recognized as income in the year in which such loans are repaid.

(h) Allowance for Loan Losses

The Authority provides for expected losses when a specific need for an allowance is identified. The provision for loan losses charged or credited to operating expense is the amount necessary, in management's judgment, to maintain the allowance at a level it believes sufficient to cover losses in collection of its mortgage loans. Estimates of future losses involve the exercise of management's judgment and assumptions with respect to future conditions. The principal factors considered by management in determining the adequacy of the allowance are the composition of the loan portfolio, historical loss experience and delinquency statistics, the value and adequacy of collateral, and economic conditions.

The allowance for loan losses increased by $20,115,540 for the nine months ended March 31, 2026, and increased by $18,682,572 for the nine months ended March 31, 2025.

		Nine months ended March 31	
		2026	**2025**
Beginning Balance, July 1	$	152,080,775	143,123,378
Provision:			
Homeownership		4,800,988	6,959,020
Rental Housing		16,137,473	12,212,534
Provision		20,938,461	19,171,554
Net (charge-offs)/recoveries:			
Homeownership		(822,921)	(488,982)
Rental Housing		-	-
Net charge-offs		(822,921)	(488,982)
Net change		20,115,540	18,682,572
Ending Balance, March 31	$	172,196,315	161,805,950

(i) Mortgage Servicing Rights

The Authority pays mortgage servicing release premiums when purchasing homeownership mortgage loans from participating lenders. These premiums are capitalized at cost and amortized on a loan-by-loan basis over the estimated life of the related mortgage loans using the sum-of-years-digits method. Mortgage servicing rights are recorded when those mortgage loans are securitized through either GNMA, FNMA, or FHLMC and the Authority remains the servicer of the loans. The estimated life is determined to be 7 years.

(j) Notes and Bonds Payable

Notes and bonds payable are stated at their unpaid balance, less any unamortized premiums or discounts. Bond premiums and discounts are amortized over the lives of the issues using the interest method. The Authority generally has the right to specially redeem bonds, without premium, upon the occurrence of certain specified events, such as the prepayment of a mortgage loan. The Authority also has the right to optionally redeem the various bonds. The optional redemptions generally cannot be exercised until the bonds have been outstanding for approximately ten years. All issues generally have term bonds, which are subject to partial redemption, without premium, from mandatory sinking fund installments.

(Continued)

(k) Retirement Plans and Other Postemployment Benefit Plans

The Authority has three defined contribution retirement savings plans covering substantially all employees. Retirement expense is fully funded as incurred. To the extent terminating employees are less than 100% vested in the Authority's contributions, the unvested portion is forfeited and redistributed to the remaining participating employees.

The Authority also provides postretirement healthcare benefits administered through a trust under a defined benefit plan to all employees who have met the years of service requirement and who retire from the Authority on or after attaining age 55 or become permanently disabled. Effective for the plan year ended December 31, 2017, the Authority adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* and the Authority adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018.

For purposes of measuring the net OPEB liability, deferred outflows or inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Virginia Housing Development Authority Retiree Health Care Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms of the Plan. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost, which approximates fair value.

(l) Cash Equivalents

Cash equivalents consist of highly liquid short-term instruments with original maturities of three months or less from the date of purchase and are recorded at amortized cost. Cash equivalents include commercial paper, repurchase agreements, money-market securities, and other short-term instruments.

(m) Statements of Net Position

The assets presented in the Statements of Net Position represent the total of similar accounts of the Authority's various groups (see note 2). Since the assets of certain of the groups are restricted by the related debt resolutions, the total does not indicate that the combined assets are available in any manner other than that provided for in the resolutions for the separate groups. When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first and, thereafter, unrestricted resources as needed.

(n) Operating and Nonoperating Revenues and Expenses

The Authority's Statements of Revenues, Expenses, and Changes in Net Position distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally arise from financing the acquisition, construction, rehabilitation, and ownership of housing intended for occupancy and ownership by families of low or moderate income. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(o) Deferred Outflows of Resources and Deferred Inflows of Resources.

The Authority reports deferred outflows of resources and deferred inflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period.

(p) Reclassifications

Certain reclassifications have been made to the other, net line of the nonoperating revenues (expenses) section of the Statements of Revenues, Expenses, and Changes in Net Position for the March 31, 2025, financial statements to conform to the March 31, 2026, presentation. Other net amounts have been moved to the other line under the operating revenues section on the Statements of Revenues, Expenses, and Changes in Net Position. This reclassification will also affect the March 31, 2025, Statements of Cash Flows in order to conform to the March 31, 2026, presentation.

(Continued)

(2) Basis of Presentation

The accounts of the Authority are presented in a single proprietary fund set of basic financial statements consisting of various programs. The Authority's activities include the following programs:

(a) General Operating Accounts

The General Operating Accounts consist of a group of accounts used to record the receipt of income not directly pledged to the repayment of specific notes and bonds and the payment of expenses related to the Authority's administrative functions.

(b) Rental Housing Bond Group

The proceeds of the Rental Housing Bonds are used to finance construction and permanent mortgage loans on rental housing developments, as well as temporary financing for other rental housing real estate owned and the financing of the Authority's office facilities.

(c) Commonwealth Mortgage Bond Group

The proceeds of Commonwealth Mortgage Bonds are used to purchase or make long-term mortgage loans to owner-occupants of homeownership dwellings, as well as temporary financing for other homeownership real estate owned.

(d) Homeownership Mortgage Bond Group

The Homeownership Mortgage Bond group was established to encompass the Authority's participation in the U.S. Department of the Treasury's New Issue Bond Program, which was created to assist state and local housing finance agencies in acquiring cost-effective mortgage loan capital. The proceeds of Homeownership Mortgage Bonds are used to purchase or make long-term mortgage loans to owner-occupants of homeownership dwellings.

(3) Cash, Cash Equivalents, and Investments

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At March 31, 2026 and 2025, the carrying amount of the Authority's deposits was $150,791,114 and $120,297,768, respectively. The associated bank balance of the Authority's deposits was $138,086.986 and $99,962,545 at March 31, 2026 and 2025, respectively. The difference between the carrying amount and the bank balance is due to outstanding checks, deposits in transit, and other reconciling items.

(Continued)

Cash equivalents include investments with original maturities of three months or less from the date of purchase. Investments consist of U.S. government and agency securities, repurchase agreements, asset-backed securities, agency mortgage-backed securities, money market securities, and other interest-bearing securities held at the FHLB Atlanta. Investments in the bond funds consist of those permitted by the various resolutions adopted by the Authority. At March 31, 2026 and 2025, total cash equivalents were $1,780,800,496 and $1,625,270,421, respectively.

Investments made by the Authority are governed by the Virginia Housing Development Authority Act and the Investment of Public Funds Act of the Code of Virginia. Additionally, for assets or monies pledged to the bond resolutions, there are various investment provisions contained in the bond resolutions that affect invested bond proceeds. Within this permitted statutory and bond resolution framework, the Authority's investment policy is to fully invest all monies in a prudent manner that will maintain the Authority's liquidity and maximize return while preserving the capital to enable the Authority to fulfill its financial commitments. The types of investments approved within the statutes and resolutions include but are not limited to direct obligations of the U.S. government, direct obligations of any state or political subdivision of the U.S. government, obligations unconditionally guaranteed by the U.S. government or other political subdivisions, bonds, debentures, certificates of deposit, repurchase agreements, swap contracts, futures contracts, and forward contracts. No more than 3.0% of the Authority's total assets may be invested in any one entity, excluding obligations issued or guaranteed by the U.S. government and repurchase agreement transactions. However, repurchase agreements cannot be more than 10% of the Authority's total assets and must mature in less than one month. Such agreements must be collateralized with U.S. Treasury or Agency securities with a fair value at least equal to 102% of the principal amount of the agreement.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy is to generally hold all investments to maturity and to limit the length of an investment at purchase to coincide with the expected timing of its use.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in market rates of interest will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. As a means of communicating interest rate risk, the Authority has elected the segmented time distribution method of disclosure, which requires the grouping of investment cash flows into sequential time periods in tabular form.

As of March 31, 2026, the Authority had the following investments (including cash equivalents) and maturities:

Investment type		Less than 1 year	1-5 years	6-10 years	Over 10 years	Total
U.S. government and agency	$	2,029,913,476	-	-	-	2,029,913,476
Repurchase agreements		50,000,000	-	-	-	50,000,000
Asset-backed securities		-	-	48,164	952,414	1,000,578
Collateralized mortgage obligations		-	-	-	22,843,540	22,843,540
Agency-mortgage backed securities		-	97,099	2,606,399	574,403,267	577,106,765
Money market securities		104,012,218	-	-	-	104,012,218
Total investments	$	2,183,925,694	97,099	2,654,563	598,199,221	2,784,876,577

As of March 31, 2025, the Authority had the following investments (including cash equivalents) and maturities:

Investment type		Less than 1 year	1-5 years	6-10 years	Over 10 years	Total
U.S. government and agency	$	2,177,184,385	-	-	-	2,177,184,385
Repurchase agreements		225,000,000	-	-	-	225,000,000
Asset-backed securities		-	-	56,676	1,037,139	1,093,815
Collateralized mortgage obligations		-	-	-	22,859,733	22,859,733
Agency-mortgage backed securities		-	154,140	2,163,887	631,656,800	633,974,827
Money market securities		26,105,636	-	-	-	26,105,636
Total investments	$	2,428,290,021	154,140	2,220,563	655,553,672	3,086,218,396

(Continued)

(4) Notes and Bonds Payable

Notes and bonds payable at June 30, 2025 and March 31, 2026 and changes for the nine months ended March 31, 2026 were as follows:

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
General operating accounts:				
Revolving line of credit:				
Bank of America floating daily rate with termination date of December 1, 2026	$ —	2,000	2,000	—
Wells Fargo floating daily rate with termination date of December 1, 2026	—	2,000	2,000	—
Federal Home Loan Bank varying fixed rate notes with 30 to 77-day maturities (average of 3.82% as of March 31, 2026 and 4.48% at March 31, 2025), maturities range from April 20, 2026 to May 01, 2026	400,000	—	—	400,000
Total general operating accounts	400,000	4,000	4,000	400,000
Rental housing bond group:				
2012 Series D dated October 30, 2012, 4.15% effective interest rate, final due date October 1, 2037	104,030	—	6,295	97,735
2012 Series E dated November 2, 2013, 3.16% effective interest rate, final due date November 1, 2042	7,690	—	315	7,375
2013 Series A/B dated April 11, 2013, 3.95% effective interest rate, final due date April 1, 2043	24,685	—	—	24,685
2013 Series C dated May 2, 2013, 3.82% effective interest rate, final due date February 1, 2043	117,440	—	4,960	112,480
2013 Series D dated May 30, 2013, 4.06% effective interest rate, final due date June 1, 2043	82,795	—	1,610	81,185

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
	(Amounts shown in thousands)			
2013 Series E dated July 11, 2013, 4.15% effective interest rate, final due date July 1, 2043	$ 15,710	—	595	15,115
2013 Series F dated October 10, 2013, 5.24% effective interest rate, final due date October 1, 2043	43,055	—	1,525	41,530
2013 Series G dated December 3, 2013, 4.39% effective interest rate, final due date December 1, 2043	8,140	—	275	7,865
2014 Series A dated August 19, 2014, 3.75% effective interest rate, final due date August 1, 2049	10,655	—	260	10,395
2014 Series B dated October 28, 2014, 3.30% effective interest rate, final due date October 1, 2044	6,985	—	250	6,735
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	104,335	—	3,565	100,770
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	30,755	—	1,095	29,660
2015 Series B dated May 12, 2015, 3.44% effective interest rate, final due date May 1, 2045	9,130	—	—	9,130
2015 Series C dated August 5, 2015, 3.68% effective interest rate, final due date August 1, 2045	18,270	—	625	17,645
2015 Series D dated November 10, 2015, 3.55% effective interest rate, final due date November 1, 2045	28,180	—	960	27,220
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	67,480	—	2,135	65,345
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	3,865	—	135	3,730
2016 Series B dated May 17, 2016, 3.48% effective interest rate, final due date May 1, 2046	55,350	—	970	54,380

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2016 Series C dated July 19, 2016, 2.72% effective interest rate, final due date July 1, 2046	$ 3,850	—	125	3,725
2016 Series D dated October 18, 2016, 2.89% effective interest rate, final due date October 1, 2046	6,515	—	220	6,295
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	24,280	—	660	23,620
2017 Series B dated June 13, 2017, 3.35% effective interest rate, final due date June 1, 2047	5,840	—	—	5,840
2017 Series C dated September 13, 2017, 3.24% effective interest rate, final due date September 1, 2047	2,460	—	75	2,385
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	4,815	—	150	4,665
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	42,615	—	1,130	41,485
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	30,225	—	735	29,490
2018 Series B dated June 5, 2018, 3.76% effective interest rate, final due date June 1, 2053	24,665	—	—	24,665
2018 Series C dated August 28, 2018, 3.63% effective interest rate, final due date August 1, 2053	17,350	—	370	16,980
2018 Series D dated October 2, 2018, 3.79% effective interest rate, final due date October 1, 2053	67,045	—	1,415	65,630
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	32,890	—	825	32,065
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	57,740	—	1,305	56,435

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2019 Series B dated May 22, 2019, 3.10% effective interest rate, final due date May 1, 2054	$ 15,615	—	—	15,615
2019 Series C dated August 21, 2019 3.13% effective interest rate, final due date August 1, 2054	46,890	—	935	45,955
2019 Series D dated October 16, 2019 3.12% effective interest rate, final due date October 1, 2054	46,835	—	955	45,880
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	48,410	—	1,140	47,270
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	69,940	—	1,510	68,430
2020 Series B dated March 25, 2020 2.39% effective interest rate, final due date March 1, 2055	62,690	—	1,515	61,175
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	174,505	—	—	174,505
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	417,800	—	1,490	416,310
2020 Series E dated July 28, 2020 2.53% effective interest rate, final due date July 1, 2055	35,060	—	825	34,235
2020 Series F dated July 21, 2020 3.09% effective interest rate, final due date July 1, 2055	191,835	—	4,145	187,690
2020 Series G dated October 14, 2020 2.29% effective interest rate, final due date September 1, 2055	18,790	—	535	18,255
2020 Series H dated October 7, 2020 2.94% effective interest rate, final due date September 1, 2055	167,870	—	3,620	164,250
2020 Series I dated December 9, 2020 2.33% effective interest rate, final due date November 1, 2053	42,755	—	1,115	41,640

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
	(Amounts shown in thousands)			
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	$ 47,850	—	1,090	46,760
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	77,660	—	1,995	75,665
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	30,655	—	825	29,830
2021 Series C dated April 22, 2021 2.85% effective interest rate, final due date April 1, 2056	95,420	—	—	95,420
2021 Series D dated June 3, 2021 2.17% effective interest rate, final due date May 1, 2056	30,740	—	—	30,740
2021 Series E dated June 24, 2021 2.71% effective interest rate, final due date June 1, 2056	74,275	—	—	74,275
2021 Series F dated July 27, 2021 2.17% effective interest rate, final due date July 1, 2056	49,345	—	1,330	48,015
2021 Series G dated July 27, 2021 2.56% effective interest rate, final due date August 1, 2056	29,355	—	650	28,705
2021 Series H dated September 2, 2021 2.58% effective interest rate, final due date September 1, 2056	29,665	—	685	28,980
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	5,855	—	140	5,715
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	221,895	—	4,770	217,125
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	138,790	—	3,790	135,000
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	39,610	—	805	38,805

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
	(Amounts shown in thousands)			
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	$ 57,170	—	1,195	55,975
2022 Series C dated March 29, 2022 3.91% effective interest rate, final due date April 1, 2057	48,310	—	—	48,310
2022 Series D dated May 3, 2022 3.95% effective interest rate, final due date May 1, 2057	21,895	—	—	21,895
2022 Series E dated June 30, 2022 4.19% effective interest rate, final due date June 1, 2057	40,035	—	2,815	37,220
2022 Series F dated October 5, 2022 4.85% effective interest rate, final due date October 1, 2057	57,550	—	1,110	56,440
2022 Series G dated November 30, 2022 5.13% effective interest rate, final due date November 1, 2064	78,820	—	720	78,100
2023 Series A dated February 9, 2023 5.28% effective interest rate, final due date February 1, 2066	60,000	—	425	59,575
2023 Series B dated March 8, 2023 4.65% effective interest rate, final due date March 1, 2065	40,250	—	390	39,860
2023 Series C dated June 1, 2023 4.24% effective interest rate, final due date May 1, 2060	6,915	—	—	6,915
2023 Series D dated August 3, 2023 4.65% effective interest rate, final due date August 1, 2065	109,895	—	795	109,100
2023 Series E dated October 12, 2023 5.10% effective interest rate, final due date October 1, 2065	56,630	—	5,160	51,470
2023 Series F dated November 30, 2023 5.16% effective interest rate, final due date May 1, 2067	167,855	—	—	167,855
2024 Series A dated March 7, 2024 4.53% effective interest rate, final due date September 1, 2065	177,070	—	—	177,070

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2024 Series B dated May 2, 2024 5.84% effective interest rate, final due date May 1, 2066	$ 25,000	—	—	25,000
2024 Series C dated June 18, 2024 4.73% effective interest rate, final due date June 1, 2066	80,270	—	700	79,570
2024 Series D dated August 1, 2024 4.41% effective interest rate, final due date August 1, 2060	50,900	—	—	50,900
2024 Series E dated October 10, 2024 4.07% effective interest rate, final due date April 1, 2066	89,820	—	—	89,820
2024 Series F dated October 31, 2024 5.84% effective interest rate, final due date October 1, 2066	106,000	—	—	106,000
2024 Series G dated November 7, 2024 4.11% effective interest rate, final due date November 1, 2066	34,300	—	—	34,300
2024 Series H dated December 5, 2024 4.57% effective interest rate, final due date December 1, 2066	164,175	—	—	164,175
2025 Series A dated March 20, 2025 4.59% effective interest rate, final due date March 1, 2068	172,520	—	—	172,520
2025 Series B dated June 17, 2025 5.01% effective interest rate, final due date June 1, 2067	21,200	—	—	21,200
2025 Series C dated July 22, 2025 4.87% effective interest rate, final due date July 1, 2062	—	36,675	—	36,675
2025 Series D dated August 21, 2025 5.91% effective interest rate, final due date August 1, 2067	—	57,315	—	57,315
2025 Series E dated October 9, 2025 4.71% effective interest rate, final due date October 1, 2067	—	111,795	—	111,795
2025 Series F dated December 4, 2025 4.55% effective interest rate, final due date December 1, 2067	—	102,780	—	102,780

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2026 Series A dated March 19, 2026 4.52% effective interest rate, final due date March 1, 2068	$ —	17,860	—	17,860
	4,935,530	326,425	79,755	5,182,200
Unamortized premium	(702)	—	29	(673)
Total rental housing bonds	4,934,828			5,181,527
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.54% effective interest rate, final due date June 25, 2034	3,182	—	593	2,589
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	12,400	—	8,200	4,200
2012 Series B/C, dated December 20, 2012, 3.07% effective interest rate, final due date July 1, 2039.	167,670	—	7,100	160,570
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	13,158	—	1,059	12,099
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	15,043	—	1,332	13,711
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	14,597	—	699	13,898
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	20,900	—	2,451	18,449
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	34,287	—	2,954	31,333
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	34,552	—	3,273	31,279
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	39,902	—	3,801	36,101
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	38,324	—	2,655	35,669

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	$ 50,570	—	2,412	48,158
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	59,755	—	4,472	55,283
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	114,086	—	6,115	107,971
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	33,256	—	2,279	30,977
2023 Series A, dated October 24, 2023, 5.07% effective interest rate, final due date November 1, 2053	97,635	—	1,320	96,315
2023 Series B, dated October 24, 2023, 6.39% effective interest rate, final due date November 1, 2053	147,155	—	1,695	145,460
2023 Series CE, dated December 14, 2023, 4.42% effective interest rate, final due date July 1, 2055	364,395	—	3,670	360,725
2023 Series D, dated December 14, 2023, 6.03% effective interest rate, final due date January 1, 2054	99,000	—	2,210	96,790
2024 A Series, dated March 28, 2024, 5.46% effective interest rate, final due date April 1, 2054	160,000	—	1,745	158,255
2024 B Series, dated May 29, 2024, 5.79% effective interest rate, final due date October 1, 2054	160,000	—	1,465	158,535
2024 C Series, dated September 17, 2024, 5.59% effective interest rate, final due date October 1, 2054	160,005	—	1,440	158,565
2024 DF Series, dated November 21, 2024, 4.72% effective interest rate, final due date July 1, 2055	295,480	—	400	295,080
2024 E Series, dated November 21, 2024 5.74% effective interest rate, final due date July 1, 2055	160,000	—	1,030	158,970

(Continued)

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
		(Amounts shown in thousands)		
2025 A Series, dated February 19, 2025 5.76% effective interest rate, final due date July 1, 2055	$ 150,000	—	—	150,000
2025 B Series, dated May 20, 2025 6.05% effective interest rate, final due date July 1, 2055	140,000	—	—	140,000
2025 C Series, dated July 16, 2025 5.91% effective interest rate, final due date July 1, 2055	—	150,000	—	150,000
2025 Series D dated August 21, 2025 5.60% effective interest rate, final due date August 1, 2067	—	140,960	—	140,960
2025 Series EG-1 dated November 12, 2025, 2025 4.47% effective interest rate, final due date July 1, 2056	—	150,000	—	150,000
2025 Series G dated November 12, 2025, 2025 3.13% effective interest rate, final due date April 1, 2027	—	150,000	—	150,000
2025 Series F dated November 12, 2025 5.41% effective interest rate, final due date July 1, 2056	—	150,000	—	150,000
2026 Series A dated February 26, 2026 5.62% effective interest rate, final due date July 1, 2056	—	150,000	—	150,000
	2,585,352	890,960	64,370	3,411,942
Unamortized premium	(66)	—	12	(54)
Total commonwealth mortgage bonds group	2,585,286			3,411,888
Homeownership mortgage bonds group:				
2013 Series A, dated March 27, 2013, 3.25% effective interest rate, final due date August 25, 2042	30,978	—	2,832	28,146
Total homeownership mortgage bonds group	30,978	—	—	28,146
Total	$ 7,951,092			9,021,561

(Continued)

Notes and bonds payable at June 30, 2024 and March 31, 2025 and changes for the nine months ended March 31, 2025 were summarized as follows (amounts in thousands):

Description	Balance at June 30, 2024	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at March 31, 2025
General operating accounts	$ 400,000	1,000	1,000	-	400,000
Rental housing bonds group	4,422,184	617,715	100,085	29	4,939,843
Commonwealth mortgage bonds group	1,809,536	920,480	261,395	78	2,468,699
Homeownership mortgage bonds group	34,441	-	2,498	-	31,943
Total	$ 6,666,161	1,539,195	364,978	107	7,840,485

The principal payment obligations and associated interest related to all note and bond indebtedness (excluding the effect of unamortized discounts and premiums) commencing April 1, 2026, and thereafter are as follows:

Year Ending March 31	Outstanding principal	Current interest	Total debt service
2027	$ 593,245,749	356,211,321	949,457,070
2028	354,585,000	342,293,789	696,878,789
2029	312,125,000	337,054,451	649,179,451
2030	355,240,000	320,507,397	675,747,397
2031	221,405,000	310,057,198	531,462,198
2032-2036	1,129,799,107	1,426,851,479	2,556,650,586
2037-2041	1,225,977,417	1,199,413,995	2,425,391,412
2042-2046	1,388,280,557	919,541,150	2,307,821,707
2047-2051	1,413,611,884	627,645,615	2,041,257,499
2052-2056	1,385,622,454	301,724,692	1,687,347,146
2057-2061	321,620,000	119,326,330	440,946,330
2062-2066	258,430,000	51,552,481	309,982,481
2067-2071	62,345,000	3,520,131	65,865,131
Total	$ 9,022,287,168	6,315,700,029	15,337,987,197

(Continued)

(5) Loan Participation Payable to Federal Financing Bank

On March 23, 2015, the Authority was designated as a "qualified Housing Finance Agency" under the Risk-Sharing Act and entered into a Risk-Sharing Agreement with HUD. In conjunction with the Risk-Sharing Agreement, the Authority elected to participate in a program offered by the Federal Financing Bank (FFB) for the financing of rental housing mortgage loans. The FFB is a government corporation, under the general supervision and direction of the Secretary of the Treasury, created by Congress with statutory authority to purchase any obligation that is fully guaranteed by another federal agency. To the extent that FFB proceeds are utilized to finance certain mortgage loans, such mortgage loans would not be available to be financed under the Rental Housing Bond Group other than on a temporary basis prior to such FFB financing. In February 2016, the Authority executed the necessary agreements to allow the Authority to participate in such FFB financing.

Under the program established by the Risk-Sharing Act (the "Risk-Sharing Program"), the Authority retains underwriting, mortgage loan management and property disposition functions and responsibility for defaulted loans. Following default under a mortgage loan subject to a HUD contract of mortgage insurance under the Risk-Sharing Program, HUD agrees to make an initial claim payment of 100% of the loan's unpaid principal balance and accrued interest, subject to certain adjustments that passes through the Authority to FFB. After a period during which the Authority may work toward curing the default, foreclosing the mortgage, or reselling the related project, any losses are calculated and apportioned between the Authority and HUD according to a specified risk-sharing percentage determined at the time of its endorsement for insurance. At its election, the Authority may choose a risk percentage ranging from 50% to 90%, which in turn determines its reimbursement obligation to HUD. During the intervening period prior to the final loss settlement, the Authority is obligated to pay interest on the amount of the initial claim payment under a debenture required to be issued to HUD at the time of the initial claim payment.

For each rental housing mortgage loan to be financed by the FFB, the Authority will sell to the FFB a certificate representing a participation interest in the rental housing mortgage loan consisting of all principal payments due thereon and all interest payments due thereon, whereby the rate to FFB will be less than the mortgage loan interest rate. The participation proceeds from the FFB are recorded as a debt obligation payable to the FFB.

Under these agreements, the Authority will retain responsibility for originating, closing and servicing the rental housing mortgage loans underlying the certificates sold to the FFB. As servicer, the Authority will remit the balance of each mortgage payment to U.S. Bank, N.A. ("Custodian"). The Custodian will fund any required account and pay the amounts due to the FFB, deduct their fees, then remit any amount remaining to the Authority as servicing fees.

Under the terms of the agreements in the Risk-Sharing Program, the Authority has sold certificates representing the beneficial interest in the following mortgage loans to FFB:

Description	Balance at June 30, 2025	Issued	Retired	Balance at March 31, 2026
Participation Certificates Outstanding:				
Colonnade at Rocktown - Note rate of 4.68% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 3.45% Maturity date of May 1, 2047	$ 2,557,120	—	51,119	2,506,001
Wilsondale II - Note rate of 4.47% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 3.12% Maturity date of July 1, 2047	6,625,458	—	134,313	6,491,145
Baker Woods - Note rate of 3.91% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 2.89% Maturity date of December 1, 2052	4,947,726	—	76,351	4,871,375
Twin Canal Village - Note rate of 3.82% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 3.18% Maturity date of April 1, 2043	5,841,032	—	173,986	5,667,046
Treesdale - Note rate of 4.22% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 3.30% Maturity date of November 1, 2048	3,274,629	—	62,479	3,212,150
Landing at Weyers Cove - Note rate of 4.22% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 3.30% Maturity date of November 1, 2048	2,153,564	—	41,089	2,112,475
Belle Hall - Note rate of 3.57% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 2.72% Maturity date of September 1, 2049	3,921,310	—	77,306	3,844,004
Campostella Commons - Note rate of 3.57% Risk-Share percentage (10% HUD / 90% VHDA) Pass-through rate of 2.72% Maturity date of September 1, 2049	2,996,056	—	59,064	2,936,992
Total participation certificates payable	$ 32,316,895	—	675,707	31,641,188

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
March 31, 2026
(Unaudited)

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	$ 255,459,951	1,043,995,706	617,958,516	14,177,437	1,931,591,610
Investments	35,268,268	232,617,886	132,112,031	3,127,013	403,125,198
Interest receivable – investments	2,829,605	10,520,500	6,861,447	128,318	20,339,870
Derivative instruments	-	-	231,949	-	231,949
Mortgage loans held for sale	-	-	41,740,274	-	41,740,274
Mortgage and other loans receivable, net	12,339,317	112,707,639	93,664,855	3,856,843	222,568,654
Interest receivable – mortgage and other loans	1,021,795	24,207,955	13,743,855	218,710	39,192,315
Other real estate owned	9,632,152	-	3,934,297	-	13,566,449
Other assets	16,903,902	-	-	-	16,903,902
Total current assets	333,454,990	1,424,049,686	910,247,224	21,508,321	2,689,260,221
Noncurrent assets:					
Investments	483,764,838	-	117,186,045	-	600,950,883
Mortgage and other loans receivable	498,941,547	5,691,351,440	4,040,193,783	78,028,480	10,308,515,250
Less allowance for loan loss	28,379,447	90,841,273	52,105,523	870,072	172,196,315
Mortgage and other loans receivable, net	470,562,100	5,600,510,167	3,988,088,260	77,158,408	10,136,318,935
Capital Assets, net of accumulated depreciation and amortization of $58,924,293	34,252,905	5,007,395	-	-	39,260,300
Mortgage servicing rights, net	13,075,929	-	-	-	13,075,929
Other Assets	37,426,253	-	-	-	37,426,253
Total noncurrent assets	1,039,082,025	5,605,517,562	4,105,274,305	77,158,408	10,827,032,300
Total assets	1,372,537,015	7,029,567,248	5,015,521,529	98,666,729	13,516,292,521
Deferred outflows of resources					
Other postemployment benefits - change in assumptions	1,374,522	-	-	-	1,374,522
Other postemployment benefits - difference between expected and actual experience	4,655,454	-	-	-	4,655,454
Total Deferred outflows of resources	6,029,976	-	-	-	6,029,976

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
March 31, 2026
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Liabilities					
Current liabilities:					
Notes and bonds payable	400,000,000	101,310,000	90,480,495	1,455,254	593,245,749
Accrued interest payable on notes and bonds	913,387	60,144,631	47,513,959	76,227	108,648,204
Escrows	81,967,762	-	-	-	81,967,762
Accounts payable and other liabilities	46,634,687	-	11,509	-	46,646,196
Total current liabilities	529,515,836	161,454,631	138,005,963	1,531,481	830,507,911
Noncurrent liabilities:					
Bonds payable, net	-	5,080,216,715	3,321,408,079	26,689,993	8,428,314,787
Project reserves	122,998,680	-	-	-	122,998,680
Loan participation payable to Federal Financing Bank	31,641,188	-	-	-	31,641,188
Other (assets) liabilities	18,505,795	3,032,971	66,303	-	21,605,069
Total noncurrent liabilities	173,145,663	5,083,249,686	3,321,474,382	26,689,993	8,604,559,724
Total liabilities	702,661,499	5,244,704,317	3,459,480,345	28,221,474	9,435,067,635
Deferred inflows of resources					
Deferred fees and points on multifamily loans	542,464	67,178,897	-	-	67,721,361
Other postemployment benefits - change in assumptions	430,519	-	-	-	430,519
Other postemployment benefits - difference between expected and actual experience	9,812,467	-	-	-	9,812,467
Other postemployment benefits - difference between projected and actual earning	2,873,277	-	-	-	2,873,277
Total deferred inflows of resources	13,658,727	67,178,897	-	-	80,837,624
Net position:					
Net investment in capital assets	22,111,396	(25,897)	-	-	22,085,499
Restricted OPEB asset	19,680,411	-	-	-	19,680,411
Restricted by bond indentures	-	1,717,709,931	1,556,041,184	70,445,255	3,344,196,370
Unrestricted	620,454,958	-	-	-	620,454,958
Total net position	$ 662,246,765	1,717,684,034	1,556,041,184	70,445,255	4,006,417,238

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Nine months ended March 31, 2026
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	$ 13,100,858	194,211,834	158,243,760	2,596,520	368,152,972
Investment earnings:					
Investment income	16,042,767	38,297,827	28,716,304	430,105	83,487,003
Realized loss on investments	(1,940)	-	-	-	(1,940)
Unrealized gain/(loss) on investments	4,128,518	(775,695)	6,818,445	(1,232)	10,170,036
Housing Choice Voucher program administrative income	11,126,448	-	-	-	11,126,448
Gains and recoveries on sale of other real estate owned	407,662	-	261,432	-	669,094
Gains on sale of single family mortgage loans	-	-	8,864,936	-	8,864,936
Mortgage servicing fees net of guaranty fees	28,414,663	-	-	-	28,414,663
Tax credit program fees earned	10,667,987	-	-	-	10,667,987
Other	519,664	9,380,548	23,104	-	9,923,316
Total operating revenues	84,406,627	241,114,514	202,927,981	3,025,393	531,474,515
Operating expenses:					
Interest on notes and bonds payable	12,675,483	140,556,085	105,846,671	712,764	259,791,003
Salaries and related employee benefits	63,022,014	-	-	-	63,022,014
General operating expenses	31,390,417	-	2,868	-	31,393,285
Note and bond expenses	1,459,772	-	-	-	1,459,772
Bond issuance expenses	44,989	2,481,046	5,452,324	-	7,978,359
Grant expenses	67,076,571	-	-	-	67,076,571
Housing Choice Voucher program expenses	7,466,774	-	-	-	7,466,774
Mortgage servicing rights amortization and other servicing costs	9,779,185	-	18,001,747	-	27,780,932
Losses on other real estate owned	1,045,978	-	207,249	2,597	1,255,824
Provision for loan losses	1,728,330	15,642,795	3,514,774	52,562	20,938,461
Total operating expenses	195,689,513	158,679,926	133,025,633	767,923	488,162,995
Operating income (expense)	(111,282,886)	82,434,588	69,902,348	2,257,470	43,311,520
Nonoperating revenues (expenses):					
Pass-through grant awards	85,130,841	-	-	-	85,130,841
Pass-through grants expenses	(85,130,841)	-	-	-	(85,130,841)
Total nonoperating revenues, net	-	-	-	-	-
Income (loss) before transfers	(111,282,886)	82,434,588	69,902,348	2,257,470	43,311,520
Transfers between funds	175,704,646	(83,133,456)	(92,578,540)	7,350	-
Change in net position	64,421,760	(698,868)	(22,676,192)	2,264,820	43,311,520
Total net position, beginning of year	597,825,005	1,718,382,902	1,578,717,376	68,180,435	3,963,105,718
Total net position, end of nine months	$ 662,246,765	1,717,684,034	1,556,041,184	70,445,255	4,006,417,238

Schedule 3

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
March 31, 2026
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 92,006,635	5,324,470	15,444,169	321,421	113,096,695
Interest receivable - investments	-	35,089	73,799	4,637	113,525
Interest receivable - mortgage and other loans	-	68,651	129,019	27,723	225,393
Other assets	-	212	-	-	212
Total current assets	92,006,635	5,428,422	15,646,987	353,781	113,435,825
Noncurrent assets:					
Mortgage and other loans receivable	-	1,631,558	-	-	1,631,558
Total noncurrent assets	-	1,631,558	-	-	1,631,558
Total assets	92,006,635	7,059,980	15,646,987	353,781	115,067,383
LIABILITIES					
Other liabilities	-	1,941,156	14,740,891	54,197	16,736,244
Total liabilities	-	1,941,156	14,740,891	54,197	16,736,244
NET POSITION					
Restricted for:					
Funds held in escrow	92,006,635	-	-	-	92,006,635
Other governmental agency	-	5,118,824	906,096	299,584	6,324,504
Total Net Position	$ 92,006,635	5,118,824	906,096	299,584	98,331,139

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
Nine months ended March 31, 2026
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virgina Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
ADDITIONS					
Contribution:					
Borrower payments	$ 1,289,485,625	-	-	-	1,289,485,625
Total Contributions	1,289,485,625	-	-	-	1,289,485,625
Investment earnings:					
Interest, dividends, and other	-	942,893	1,049,466	300,890	2,293,249
Total investment earnings	-	942,893	1,049,466	300,890	2,293,249
Total additions	1,289,485,625	942,893	1,049,466	300,890	1,291,778,874
DEDUCTIONS					
Other governmental agency	-	843,718	839,915	283,952	1,967,585
Disbursement of escrow funds	1,275,484,900	-	-	-	1,275,484,900
Total deductions	1,275,484,900	843,718	839,915	283,952	1,277,452,485
Net increase in fiduciary net position	14,000,725	99,175	209,551	16,938	14,326,389
Net position - beginning of year	78,005,910	5,019,649	696,545	282,646	84,004,750
Net position - end of nine months	$ 92,006,635	5,118,824	906,096	299,584	98,331,139

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
March 31, 2025
(Unaudited)

Assets	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Current assets:					
Cash and cash equivalents	$ 209,613,890	896,354,860	633,097,160	6,502,279	1,745,568,189
Investments	58,101,077	441,574,119	300,195,278	3,149,126	803,019,600
Interest receivable – investments	3,232,970	11,548,878	9,368,063	212,131	24,362,042
Mortgage loans held for sale	-	-	50,667,625	-	50,667,625
Mortgage and other loans receivable, net	11,411,973	101,878,753	76,634,262	3,940,212	193,865,200
Interest receivable – mortgage and other loans	1,065,985	21,430,777	9,575,626	235,390	32,307,778
Other real estate owned	3,185,161	-	936,503	-	4,121,664
Other assets	14,623,838	-	-	-	14,623,838
Total current assets	301,234,894	1,472,787,387	1,080,474,517	14,039,138	2,868,535,936
Noncurrent assets:					
Investments	493,473,032	-	164,455,343	-	657,928,375
Mortgage and other loans receivable	474,341,470	5,360,212,801	2,879,710,035	86,211,660	8,800,475,966
Less allowance for loan loss	33,628,628	83,808,368	43,539,506	829,448	161,805,950
Mortgage and other loans receivable, net	440,712,842	5,276,404,433	2,836,170,529	85,382,212	8,638,670,016
Capital Assets, net of accumulated depreciation and amortization of $68,178,975	23,663,074	5,703,829	-	-	29,366,903
Mortgage servicing rights, net	19,745,006	-	-	-	19,745,006
Other Assets	30,016,480	-	-	-	30,016,480
Total noncurrent assets	1,007,610,434	5,282,108,262	3,000,625,872	85,382,212	9,375,726,780
Total assets	1,308,845,328	6,754,895,649	4,081,100,389	99,421,350	12,244,262,716
Deferred outflows of resources					
Other postemployment benefits - change in	1,627,852	-	-	-	1,627,852
Other postemployment benefits - difference between expected and actual experience	5,393,161	-	-	-	5,393,161
Other postemployment benefits - difference between projected and actual earning	585,200	-	-	-	585,200
Total Deferred outflows of resources	7,606,213	-	-	-	7,606,213

(Continued)

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Net Position
March 31, 2025
(Unaudited)

Liabilities	**General Operating Accounts**	**Rental Housing Bond Group**	**Commonwealth Mortgage Bond Group**	**Home-ownership Bond Group**	**Total**
Current liabilities:					
Notes and bonds payable	400,000,000	92,560,000	53,988,999	1,499,331	548,048,330
Accrued interest payable on notes and bonds	579,778	54,947,734	35,498,444	86,511	91,112,467
Escrows	79,887,447	-	-	-	79,887,447
Federal grand awards held	1,750,895	-	-	-	1,750,895
Derivative instruments	-	-	60,566	-	60,566
Accounts payable and other liabilities	45,706,657	-	3,094,957	-	48,801,614
Total current liabilities	527,924,777	147,507,734	92,642,966	1,585,842	769,661,319
Noncurrent liabilities:					
Bonds payable, net	-	4,847,283,047	2,414,710,001	30,443,219	7,292,436,267
Project reserves	129,664,052	-	-	-	129,664,052
Loan participation payable to Federal Financing Bank	32,537,631	-	-	-	32,537,631
Other (assets) liabilities	18,013,655	2,239,809	-	-	20,253,464
Total noncurrent liabilities	180,215,338	4,849,522,856	2,414,710,001	30,443,219	7,474,891,414
Total liabilities	708,140,115	4,997,030,590	2,507,352,967	32,029,061	8,244,552,733
Deferred inflows of resources					
Deferred fees and points on multifamily loans	441,007	64,721,330	-	-	65,162,337
Other postemployment benefits - change in assumptions	508,695	-	-	-	508,695
Other postemployment benefits - difference between expected and actual experience	7,961,316	-	-	-	7,961,316
Total deferred inflows of resources	8,911,018	64,721,330	-	-	73,632,348
Net position:					
Net investment in capital assets	8,059,144	(545,652)	-	-	7,513,492
Restricted OPEB asset	12,601,297	-	-	-	12,601,297
Restricted by bond indentures	-	1,693,689,381	1,573,747,422	67,392,289	3,334,829,092
Unrestricted	578,739,967	-	-	-	578,739,967
Total net position	$ 599,400,408	1,693,143,729	1,573,747,422	67,392,289	3,933,683,848

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Nine months ended March 31, 2025
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home-ownership Bond Group	Total
Operating revenues:					
Interest on mortgage and other loans receivable	$ 13,445,426	182,721,569	111,696,829	2,915,530	310,779,354
Investment earnings:					
Investment income	16,500,828	37,882,751	35,499,909	1,144,725	91,028,213
Realized loss on investments	(2,306)	-	-	-	(2,306)
Unrealized gain/(loss) on investments	5,275,607	1,551,529	7,771,261	(37,140)	14,561,257
Housing Choice Voucher program administrative income	7,736,505	-	-	-	7,736,505
Gains and recoveries on sale of other real estate owned	454,063	-	161,393	-	615,456
Gains on sale of single family mortgage loans	-	-	7,693,884	-	7,693,884
Mortgage servicing fees net of guaranty fees	31,374,206	-	-	-	31,374,206
Tax credit program fees earned	10,461,007	-	-	-	10,461,007
Other	1,224,720	6,362,840	22,513	-	7,610,073
Total operating revenues	86,470,056	228,518,689	162,845,789	4,023,115	481,857,649
Operating expenses:					
Interest on notes and bonds payable	15,357,553	122,920,943	68,590,947	806,028	207,675,471
Salaries and related employee benefits	63,265,828	-	-	-	63,265,828
General operating expenses	28,815,676	-	2,192	-	28,817,868
Note and bond expenses	1,116,145	-	-	-	1,116,145
Bond issuance expenses	62,436	4,023,432	4,360,348	-	8,446,216
Grant expenses	46,303,391	-	-	-	46,303,391
Housing Choice Voucher program expenses	5,724,740	-	-	-	5,724,740
Mortgage servicing rights amortization and other servicing costs	13,343,481	-	12,698,567	-	26,042,048
Losses on other real estate owned	885,819	-	186,805	9,634	1,082,258
Provision for loan losses	(392,179)	12,208,875	7,362,132	(7,274)	19,171,554
Total operating expenses	174,482,890	139,153,250	93,200,991	808,388	407,645,519
Operating income (expense)	(88,012,834)	89,365,439	69,644,798	3,214,727	74,212,130
Nonoperating revenues (expenses):					
Pass-through grant awards	83,718,614	-	-	-	83,718,614
Pass-through grants expenses	(83,718,614)	-	-	-	(83,718,614)
Total nonoperating revenues, net	-	-	-	-	-
Income (loss) before transfers	(88,012,834)	89,365,439	69,644,798	3,214,727	74,212,130
Transfers between funds	155,023,239	(67,472,017)	(46,572,826)	(40,978,396)	-
Change in net position	67,010,405	21,893,422	23,071,972	(37,763,669)	74,212,130
Total net position, beginning of year	532,390,003	1,671,250,307	1,550,675,450	105,155,958	3,859,471,718
Total net position, end of nine months	$ 599,400,408	1,693,143,729	1,573,747,422	67,392,289	3,933,683,848

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
Nine months ended March 31, 2025
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Assets					
Current assets:					
Cash and cash equivalents	$ 202,527,765	3,950,898	2,624,512	2,458,997	211,562,172
Interest receivable - investments	-	53,619	60,865	16,328	130,812
Interest receivable - mortgage and other loans	-	69,433	105,043	19,394	193,870
Other assets	-	212	-	-	212
Total current assets	202,527,765	4,074,162	2,790,420	2,494,719	211,887,066
Noncurrent assets:					
Mortgage and other loans receivable	-	2,154,120	-	-	2,154,120
Total noncurrent assets	-	2,154,120	-	-	2,154,120
Total assets	202,527,765	6,228,282	2,790,420	2,494,719	214,041,186
Liabilities					
Other liabilities	-	754,739	2,168,496	2,237,736	5,160,971
Total liabilities	-	754,739	2,168,496	2,237,736	5,160,971
Net position					
Restricted for:					
Funds held in escrow	202,527,765	-	-	-	202,527,765
Other governmental agency	-	5,473,543	621,924	256,983	6,352,450
Total Net Position	$ 202,527,765	5,473,543	621,924	256,983	208,880,215

Schedule 8

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(A Component Unit of the Commonwealth of Virginia)
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
Nine months ended March 31, 2025
(Unaudited)

	Escrow Funds (GNMA, FNMA, FHLMC, Habitat)	Commonwealth Priority Housing Fund	Virginia Housing Trust Fund	National Housing Trust Fund	Total Custodial Funds
Additions					
Contribution:					
Borrower payments	$ 1,327,693,083	-	-	-	1,327,693,083
Total Contributions	1,327,693,083	-	-	-	1,327,693,083
Investment earnings:					
Interest, dividends, and other	-	829,039	780,305	223,774	1,833,118
Total investment earnings	-	829,039	780,305	223,774	1,833,118
Total additions	1,327,693,083	829,039	780,305	223,774	1,329,526,201
Deductions					
Other governmental agency	-	627,401	461,015	142,974	1,231,390
Disbursement of escrow funds	1,183,357,005	-	-	-	1,183,357,005
Total deductions	1,183,357,005	627,401	461,015	142,974	1,184,588,395
Net increase in fiduciary net position	144,336,078	201,638	319,290	80,800	144,937,806
Net position - beginning of year	58,191,687	5,271,905	302,634	176,183	63,942,409
Net position - end of nine months	$ 202,527,765	5,473,543	621,924	256,983	208,880,215

APPENDIX B

DATA ON SINGLE FAMILY MORTGAGE LOANS

This appendix presents current and recent data regarding the performance and type of single family mortgage loans that are either Authority assets or potential liabilities of the Authority because of certain payment and repurchase obligations. The single family mortgage loans that are Authority assets are pledged to the Commonwealth Mortgage Bonds Resolution, pledged to the Homeownership Mortgage Bonds Resolution, or are held in the Authority's General Fund. The single family mortgage loans that are potential liabilities because of certain payment and repurchase obligations are the Ginnie Mae Mortgage Loans and the Fannie Mae Mortgage Loans still in a Repurchase Obligation Period.

The single family mortgage loans pledged to the Commonwealth Mortgage Bonds Resolution, including mortgage loans in a Ginnie Mae security that is itself pledged to the Commonwealth Mortgage Bonds Resolution, are referred to herein as "Commonwealth Bonds Mortgage Loans." The single family mortgage loans pledged to the Homeownership Mortgage Bonds Resolution are referred to herein as "Homeownership Bonds Mortgage Loans."

Defined terms used and not otherwise defined in this Appendix B have the meaning set forth in the body of this Official Statement. All references to dollar amounts in this Appendix B are in millions, rounded to the nearest million, unless otherwise indicated. Certain amounts in certain charts may not sum to the total shown due to rounding. All mortgage loans described in this Appendix B are single family mortgage loans. All references to delinquent loans mean single family mortgage loans that are 60 or more days delinquent, excluding loans in foreclosure and loan modifications paying as agreed.

As of March 31, 2026, the Authority's single family mortgage loan portfolio, including mortgage loans serviced by the Authority but not Authority assets, was identified as follows:

Commonwealth Bonds Mortgage Loans:	
Unsecuritized Loans	$4,162
Fannie Mae Mortgage Loans still in a Repurchase Obligation Period	1
Fannie Mae Mortgage Loans not in a Repurchase Obligation Period	66
Ginnie Mae Mortgage Loans	109
Homeownership Bonds Mortgage Loans*	82
Mortgage Loans in the Authority's General Fund:	
Unsecuritized Loans	421
Fannie Mae Mortgage Loans still in a Repurchase Obligation Period	0
Fannie Mae Mortgage Loans not in a Repurchase Obligation Period	35
Ginnie Mae Mortgage Loans	478
Mortgage Loans in securities sold to third parties:	
Ginnie Mae Mortgage Loans	3,844
Fannie Mae Mortgage Loans still in a Repurchase Obligation Period	10
Fannie Mae Mortgage Loans not in a Repurchase Obligation Period	1,362
Freddie Mac Mortgage Loans	187
Total	$10,757

* All Homeownership Bonds Mortgage Loans are unsecuritized loans.

Commonwealth Bonds Mortgage Loans

The outstanding balance, delinquency, and foreclosure statistics for Commonwealth Bonds Mortgage Loans as of the end of each fiscal year since 2010, and for the most recent quarter for which unaudited financials are available, are set forth below. Note that for years 2020 through 2024, federal law prevented the Authority from treating certain single family mortgage loans as delinquent, even though they otherwise were delinquent, as a special but limited protection for those borrowers. Those mortgage loans are now reported below as delinquent for purposes of showing historical mortgage loan performance and mortgage loan delinquency by year of origination.

Historical Mortgage Loan Performance

As of June 30	Outstanding Balance of Mortgage Loans	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
2010	$4,599	$255	5.5%	$50	1.1%
2011	4,157	215	5.2	56	1.4
2012	3,831	207	5.4	43	1.1
2013	3,651	183	5.0	57	1.6
2014	3,606	146	4.0	47	1.3
2015	3,275	157	4.8	34	1.0
2016	2,984	132	4.4	33	1.1
2017	2,711	101	3.7	30	1.1
2018	2,431	94	3.9	15	0.6
2019	2,242	96	4.3	11	0.5
2020	2,137	160	7.5	7	0.3
2021	2,149	157	7.3	4	0.2
2022	2,202	105	4.8	5	0.2
2023	2,137	82	3.9	5	0.3
2024	2,532	105	4.1	6	0.2
2025	3,394	127	3.7	15	0.4
2026 (March 31)	4,336	188	4.4	17	0.4

As of March 31, 2026, the Authority held title to 5 single family properties which were financed by Commonwealth Bonds Mortgage Loans and had been foreclosed upon, but not yet sold. The aggregate principal balance of the mortgage loans that financed such properties was less than $1 million, as of their dates of foreclosure.

Current Mortgage Loan Categories

The following categories of Commonwealth Bonds Mortgage Loans had the following aggregate outstanding principal balances, as of March 31, 2026:

Self-Insured First Mortgage Loans	$537
Self-Insured Second Mortgage Loans	181
Insured by FHA	1,916
Guaranteed by VA	364
Guaranteed by RD	89
Insured by private mortgage insurance	1,249
Total	$4,336

The following chart shows the distribution and the delinquency and foreclosure status, as of March 31, 2026, of Commonwealth Bonds Mortgage Loans by calendar year of origination.

Mortgage Loan Delinquency by Year of Origination

Year of Origination	Outstanding Balance of Mortgage Loans	Percentage of Outstanding Balance	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
All Loans						
2020 and earlier	$948	21.9%	$46	4.9%	$4	0.4%
2021	282	6.5	14	5.1	1	0.2
2022	158	3.6	21	13.2	2	1.1
2023	340	7.8	31	9.2	2	0.7
2024	994	22.9	54	5.4	6	0.6
2025	1,316	30.4	22	1.7	2	0.2
2026	298	6.9	0	0.0	0	0.0
Total	$4,336	100.0%	$188	4.4%	$17	0.4%
Self-Insured Only						
2020 and earlier	$419	58.4%	$12	2.8%	$1	0.2%
2021	44	6.1	2	4.9	0	0.0
2022	20	2.8	1	6.7	0	0.0
2023	31	4.4	1	4.0	0	0.0
2024	71	9.9	1	1.5	0	0.3
2025	113	15.8	1	1.0	0	0.0
2026	20	2.6	0	0.0	0	0.0
Total	$718	100.0%	$18	2.6%	$1	0.1%

The following chart shows the distribution of outstanding balances, as of March 31, 2026, of Commonwealth Bonds Mortgage Loans by credit score and mortgage insurer and mortgage guarantor.

Mortgage Loans by Credit Score and Mortgage Insurer and Mortgage Guarantor

Credit Score	Outstanding Balance of FHA Insured Mortgage Loans	Outstanding Balance of VA Guaranteed Mortgage Loans	Outstanding Balance of RD Guaranteed Mortgage Loans	Outstanding Balance of PMI Insured Mortgage Loans	Outstanding Balance of Self-Insured Mortgage Loans	Outstanding Balance of All Mortgage Loans
300 through 539	$267.4	$19.4	$7.9	$26.4	$14.3	$335.4
540 through 579	134.6	14.1	5.2	21.3	13.5	188.7
580 through 619	160.7	19.2	6.3	24.9	17.3	228.4
620 through 659	291.3	42.6	8.5	50.2	23.6	416.2
660 through 699	375.6	65.9	14.9	127.1	47.4	630.9
700 through 739	314.3	82.4	15.7	265.2	79.0	756.6
740 through 779	232.0	71.9	17.9	400.1	136.6	858.5
780 through 850	128.5	44.6	12.5	329.1	206.4	721.1
Not available	11.4	3.7	0.5	5.1	180.0	200.7
Total	$1,915.8	$363.8	$89.4	$1,249.4	$718.1	$4,336.5

Homeownership Bonds Mortgage Loans

The Authority financed Homeownership Bonds Mortgage Loans between 2009 and 2012. The outstanding balance, delinquency, and foreclosure statistics for Homeownership Bonds Mortgage Loans as of the end of each fiscal year since 2010, and for the most recent quarter for which unaudited financials are available, are set forth below. Note that for years 2020 through 2024, federal law prevented the Authority from treating certain single family mortgage loans as delinquent, even though they otherwise were delinquent, as a special but limited protection for those borrowers. Those mortgage loans are now reported below as delinquent for purposes of showing historical mortgage loan performance.

Historical Mortgage Loan Performance

As of June 30	Outstanding Balance of Mortgage Loans	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
2010	$237	$0	0.1%	$0	0.0%
2011	517	8	1.5	1	0.2
2012	717	21	3.0	3	0.5
2013	468	33	7.0	7	1.6
2014	429	24	5.5	9	2.0
2015	384	26	6.9	7	1.9
2016	335	25	7.5	7	2.0
2017	290	18	6.2	5	1.9
2018	259	17	6.6	3	1.3
2019	231	17	7.5	2	0.8
2020	171	19	11.0	1	0.7
2021	140	18	13.0	1	0.5
2022	116	9	7.8	0	0.4
2023	105	6	5.8	0	0.2
2024	96	6	6.7	0	0.3
2025	88	6	6.8	1	0.6
2026 (March 31)	82	7	8.9	0	0.6

As of March 31, 2026, the Authority held title to no single family properties which were financed by Homeownership Bonds Mortgage Loans and had been foreclosed upon, but not yet sold.

Current Mortgage Loan Categories

The following categories of Homeownership Bonds Mortgage Loans had the following aggregate outstanding principal balances, as of March 31, 2026:

Self-Insured First Mortgage Loans	$17
Self-Insured Second Mortgage Loans	2
Insured by FHA	59
Guaranteed by VA	1
Guaranteed by RD	3
Insured by private mortgage insurance	0
Total	$82

The following chart shows the distribution of outstanding balances, as of March 31, 2026, of Homeownership Bonds Mortgage Loans by credit score and mortgage insurer and mortgage guarantor.

Mortgage Loans by Credit Score and Mortgage Insurer and Mortgage Guarantor

Credit Score	Outstanding Balance of FHA Insured Mortgage Loans	Outstanding Balance of VA Guaranteed Mortgage Loans	Outstanding Balance of RD Guaranteed Mortgage Loans	Outstanding Balance of PMI Insured Mortgage Loans	Outstanding Balance of Self-Insured Mortgage Loans	Outstanding Balance of All Mortgage Loans
300 through 539	$7.1	$0.2	$0.5	$0.0	$0.8	$8.6
540 through 579	5.7	0.1	0.3	0.0	0.5	6.6
580 through 619	5.6	0.0	0.2	0.0	0.5	6.3
620 through 659	6.1	0.0	0.1	0.0	0.7	6.9
660 through 699	8.1	0.0	0.2	0.0	1.2	9.5
700 through 739	7.4	0.2	0.4	0.0	2.3	10.3
740 through 779	7.7	0.1	0.4	0.0	3.6	11.8
780 through 850	11.6	0.1	0.4	0.0	7.2	19.3
Not available	0.0	0.0	0.0	0.0	2.4	2.4
Total	$59.3	$0.7	$2.5	$0.0	$19.2	$81.7

Mortgage Loans Held in the Authority's General Fund

The outstanding balance, delinquency, and foreclosure statistics for mortgage loans held by the Authority's General Fund, including mortgage loans in a Ginnie Mae security that is itself held by the Authority's General Fund, as of the end of each fiscal year since 2010, and for the most recent quarter for which unaudited financials are available, are set forth below. Note that for years 2020 through 2024, federal law prevented the Authority from treating certain single family mortgage loans as delinquent, even though they otherwise were delinquent, as a special but limited protection for those borrowers. Those mortgage loans are now reported below as delinquent for purposes of showing historical mortgage loan performance and mortgage loan delinquency by year of origination.

Historical Mortgage Loan Performance

As of June 30	Outstanding Balance of Mortgage Loans	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
2010	$38	$1	1.9%	$0	0.4%
2011	35	1	1.6	0	0.5
2012	56	3	4.7	1	1.7
2013	149	6	3.8	3	2.1
2014	148	10	6.8	5	3.3
2015	430	16	3.7	4	1.0
2016	478	26	5.4	7	1.5
2017	594	30	5.1	10	1.7
2018	683	43	6.3	8	1.2
2019	727	70	9.7	6	0.8
2020	808	125	15.5	7	0.9
2021	1,057	142	13.4	3	0.3
2022	1,164	122	10.5	9	0.7
2023	878	85	9.7	10	1.2
2024	952	133	14.0	9	0.9
2025	959	153	16.0	24	2.5
2026 (March 31)	935	195	20.9	17	1.9

As of March 31, 2026, 20 single family properties were held by the Authority's General Fund and had been foreclosed upon, but not yet sold. The aggregate principal balance of the mortgage loans that financed such properties was less than $2.5 million, as of their dates of foreclosure.

Current Mortgage Loan Categories

The following categories of mortgage loans held by the Authority's General Fund had the following aggregate outstanding principal balances, as of March 31, 2026:

Self-Insured First Mortgage Loans	$29
Self-Insured Second Mortgage Loans	0
Insured by FHA	793
Guaranteed by VA	41
Guaranteed by RD	39
Insured by private mortgage insurance	33
Total	$935

The following chart shows the distribution and the delinquency and foreclosure status, as of March 31, 2026, of mortgage loans held by the Authority's General Fund by calendar year of origination.

Mortgage Loan Delinquency by Year of Origination

Year of Origination	Outstanding Balance of Mortgage Loans	Percentage of Outstanding Balance	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
All Loans						
2020 and earlier	$622	66.5%	$121	19.5%	$9	1.5%
2021	177	18.9	43	24.4	3	1.8
2022	115	12.4	18	15.4	3	3.0
2023	19	2.0	11	57.6	2	9.5
2024	2	0.2	2	88.6	0	0.0
2025	0	0.0	0	0.0	0	0.0
2026	0	0.0	0	0.0	0	0.0
Total	$935	100.0%	$195	20.9%	$17	1.9%
Self-Insured Only						
2020 and earlier	$28	95.1%	$5	17.8%	$0	0.6%
2021	1	3.6	0	1.2	0	0.0
2022	0	0.5	0	0.0	0	0.0
2023	0	0.0	0	0.0	0	0.0
2024	0	0.8	0	0.0	0	0.0
2025	0	0.0	0	0.0	0	0.0
2026	0	0.0	0	0.0	0	0.0
Total	$29	100.0%	$5	17.0%	$0	0.6%

The following chart shows the distribution of outstanding balances, as of March 31, 2026, of mortgage loans held by the Authority's General Fund by credit score and by type of mortgage insurer and mortgage guarantor.

Mortgage Loans by Credit Score and Mortgage Insurer and Mortgage Guarantor

Credit Score	Outstanding Balance of FHA Insured Mortgage Loans	Outstanding Balance of VA Guaranteed Mortgage Loans	Outstanding Balance of RD Guaranteed Mortgage Loans	Outstanding Balance of PMI Insured Mortgage Loans	Outstanding Balance of Self-Insured Mortgage Loans	Outstanding Balance of All Mortgage Loans
300 through 539	$216.1	$8.9	$6.0	$1.6	$3.4	$236.0
540 through 579	109.8	6.6	6.2	0.7	3.7	127.0
580 through 619	96.1	4.8	5.4	1.4	3.6	111.3
620 through 659	85.4	3.3	4.4	1.5	3.3	98.0
660 through 699	87.5	4.1	3.8	2.7	2.6	100.7
700 through 739	73.4	2.8	3.8	6.1	2.2	88.3
740 through 779	68.3	4.6	5.0	11.0	3.9	92.9
780 through 850	55.9	6.0	4.6	7.2	4.0	77.7
Not available	0.2	0.0	0.0	0.0	2.7	2.9
Total	$792.7	$41.1	$39.2	$32.2	$29.4	$934.8

Ginnie Mae Mortgage Loans Sold to Third Parties

The outstanding balance, delinquency, and foreclosure statistics for Ginnie Mae Mortgage Loans sold to third parties as of the end of each fiscal year since 2010, and for the most recent quarter for which unaudited financials are available, are set forth below. For additional information, see "Ginnie Mae Financing" in "The Single Family Program." Note that for years 2020 through 2024, federal law prevented the Authority from treating certain single family mortgage loans as delinquent, even though they otherwise were delinquent, as a special but limited protection for those borrowers. Those mortgage loans are now reported below as delinquent for purposes of showing historical mortgage loan performance and mortgage loan delinquency by year of origination.

Historical Mortgage Loan Performance

As of June 30	Outstanding Balance of Mortgage Loans	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
2010	$264	$8	3.0%	$0	0.2%
2011	325	13	3.9	3	0.9
2012	234	12	5.1	2	0.9
2013	620	13	2.2	3	0.5
2014	658	19	2.9	1	0.2
2015	746	22	3.0	2	0.1
2016	1,309	29	2.2	1	0.1
2017	2,007	42	2.1	1	0.1
2018	2,506	55	2.2	2	0.1
2019	2,903	82	2.8	2	0.1
2020	3,468	309	8.9	1	0.0
2021	3,696	361	9.8	0	0.0
2022	3,874	273	7.0	10	0.3
2023	4,243	199	4.7	9	0.2
2024	4,209	251	6.0	9	0.2
2025	3,986	238	6.0	12	0.3
2026 (March 31)	3,844	276	7.2	11	0.3

The following chart shows the distribution and the delinquency and foreclosure status, as of March 31, 2026, of Ginnie Mae Mortgage Loans sold to third parties by calendar year of origination.

Mortgage Loan Delinquency by Year of Origination

Year of Origination	Outstanding Balance of Mortgage Loans	Percentage of Outstanding Balance	Outstanding Balance of Delinquent Mortgage Loans	Percentage of Mortgage Loans Delinquent	Outstanding Balance of Mortgage Loans in Foreclosure	Percentage of Mortgage Loans in Foreclosure
2020 and earlier	$1,909	49.7%	$107	5.6%	$4	0.2%
2021	887	23.1	75	8.4	3	0.3
2022	375	9.7	38	10.0	1	0.4
2023	296	7.7	29	9.8	2	0.6
2024	186	4.9	18	9.5	1	0.6
2025	184	4.7	9	4.7	0	0.0
2026	7	0.2	0	0.0	0	0.0
Total	$3,844	100.0%	$276	7.2%	$11	0.3%

The following chart shows the distribution of outstanding balances, as of March 31, 2026, of Ginnie Mae Mortgage Loans sold to third parties by credit score and mortgage insurer and mortgage guarantor.

Mortgage Loans by Credit Score and Mortgage Insurer and Mortgage Guarantor

Credit Score	Outstanding Balance of FHA Insured Mortgage Loans	Outstanding Balance of VA Guaranteed Mortgage Loans	Outstanding Balance of RD Guaranteed Mortgage Loans	Outstanding Balance of PMI Insured Mortgage Loans	Outstanding Balance of Self-Insured Mortgage Loans	Outstanding Balance of All Mortgage Loans
300 through 539	$544.6	$19.7	$21.0	$0.0	$0.0	$585.3
540 through 579	314.1	11.3	19.3	0.0	0.0	344.7
580 through 619	316.3	17.6	13.5	0.0	0.0	347.4
620 through 659	407.7	21.8	19.8	0.0	0.0	449.3
660 through 699	485.6	35.8	25.7	0.0	0.0	547.1
700 through 739	477.2	37.6	32.0	0.0	0.0	546.8
740 through 779	480.3	52.0	46.0	0.0	0.0	578.3
780 through 850	349.4	50.9	43.0	0.0	0.0	443.3
Not available	1.8	0.0	0.0	0.0	0.0	1.8
Total	$3,377.0	$246.7	$220.3	$0.0	$0.0	$3,844.0

Fannie Mae Mortgage Loans Still in a Repurchase Obligation Period

See "Fannie Mae Financing" in "The Single Family Program" for more information on the risk to the Authority of Fannie Mae Mortgage Loans still in their Repurchase Obligation Period. As of March 31, 2026, the aggregate outstanding principal balance of mortgage loans in this category was $10 million, of which 4.0% was delinquent. The foregoing information is for Fannie Mae securities pledged to the Authority's Commonwealth Mortgage Bonds Resolution, held in the Authority's General Fund, or sold to third parties. Since 2020, no Fannie Mae Mortgage Loans have had a Repurchase Obligation Period. All Fannie Mae Mortgage Loans still in a Repurchase Obligation Period are self-insured mortgage loans.

Fannie Mae Mortgage Loans Not in a Repurchase Obligation Period

The Authority continues to service Fannie Mae Mortgage Loans that are not in a Repurchase Obligation Period and could be obligated to advance money to cover payments during periods when loans in this category are delinquent or subject to certain types of loan modifications.

See "Fannie Mae Financing" in "The Single Family Program" for more information. As of March 31, 2026, the aggregate outstanding principal balance of mortgage loans in this category was $1,362 million, of which 1.0% was delinquent. The foregoing information is for Fannie Mae securities pledged to the Authority's Commonwealth Mortgage Bonds Resolution, held in the Authority's General Fund, or sold to third parties.

Freddie Mac Mortgage Loans

The Authority continues to service Freddie Mac Mortgage Loans and could be obligated to advance money to cover payments during periods when loans in this category are delinquent or subject to certain types of loan modifications.

See "Freddie Mac Financing" in "The Single Family Program" for more information. As of March 31, 2026, the aggregate outstanding principal balance of mortgage loans in this category was $188 million, of which 1.9% was delinquent. The foregoing information is for Freddie Mac securities sold to third parties. Currently, the Authority sells all Freddie Mac securities to third parties.

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ADDITIONAL INFORMATION CONCERNING SINGLE FAMILY MORTGAGE INSURANCE POLICIES AND GUARANTEES

Federal Housing Administration Mortgage Insurance

The United States Department of Housing and Urban Development administers the FHA mortgage insurance programs. In order to receive payment of insurance benefits (other than certain partial claim payments) a mortgagee must normally acquire title to the property, either through foreclosure or conveyance, and convey such title to FHA. Generally, the mortgagee must obtain a deed in lieu of foreclosure or commence foreclosure proceedings within six months after a mortgagor's default, subject to extension if the mortgagee pursued certain loss mitigation actions referred to below. Upon recordation of the deed conveying the property to FHA, the mortgagee notifies FHA of the filing and assigns, without recourse or warranty, all claims which it has acquired in connection with the mortgage. A mortgagee may also receive payment of insurance benefits in certain circumstances not involving conveyance of the property to FHA, such as if a pre-foreclosure sale to a third party at a required minimum price is arranged in accordance with FHA regulations and procedures.

Under some FHA programs, FHA has the option at its discretion to pay insurance claims in cash or in debentures, while under others FHA will pay insurance claims in cash unless the mortgagee requests payment in debentures. The current FHA policy, subject to change at any time, is to make insurance payments on mortgages covering less than five dwelling units in cash with respect to all programs covering such units as to which it has discretion to determine the form of insurance payment. FHA debentures issued in satisfaction of FHA insurance claims bear interest at the debenture interest rate in effect under FHA regulations on the date of the mortgage insurance commitment or of the initial insurance endorsement of the mortgage, whichever rate is higher.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance to FHA, the insurance payment is computed as of the institution of the foreclosure proceeding (or acquisition of possession otherwise), which will occur no earlier than 60 days after the due date of a mortgage payment, and the mortgagee generally is not compensated for mortgage interest accrued and unpaid prior to that date. Under such circumstances, the amount of insurance benefits generally paid by FHA is equal to the unpaid principal amount of the mortgage loan, adjusted to reimburse the mortgagee for certain tax, insurance and similar payments made by it and to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed a specified percentage of the mortgagee's foreclosure costs or costs of acquiring the property (such percentage, which under current FHA policy is periodically determined based upon a mortgagee's loss mitigation performance, currently is two-thirds in the case of the Authority). Unless the mortgagee has not observed certain FHA regulations, an insurance payment to be made in cash itself bears interest from the date of default to the date of payment of the claim at an interest rate equal to the monthly average yield, for the month in which the default occurred, on United States Treasury securities adjusted to a constant maturity of 10 years.

When any property to be conveyed to FHA has been damaged by fire, earthquake, flood or tornado, or the property has suffered damage because of the mortgagee's failure to take required action, it is required that such property be repaired prior to such conveyance.

FHA requires that, absent the consent of the mortgagor, at least three full monthly installments be due and unpaid before the mortgagee may initiate any action leading to foreclosure of the mortgage. FHA also requires a reasonable effort to arrange a face-to-face conference with the mortgagor and requires that the mortgagee consider, and undertake where appropriate, specified loss mitigation actions to avoid foreclosure, including loan modifications in some circumstances (see "Loan Modifications" in "The Single Family Program").

Veterans Administration Mortgage Guaranty

The Veterans Administration permits a veteran (or in certain instances the spouse of a veteran) to obtain a mortgage loan guaranty by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit. The program has no mortgage loan limits and requires no down payment from the purchaser.

Under the VA's tiered guaranty system, the maximum guaranty allowed is based on the size of the mortgage loan. 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 current maximum guaranty is as follows: (i) for mortgage loans of not more than $45,000, 50% of the loan; (ii) for mortgage loans greater than $45,000, but not more than $56,250, an amount of $22,500; (iii) for mortgage loans greater than $56,250, but not more than $144,000, the lesser of 40% of the loan or $36,000; and (iv) for loans greater than $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 actual guaranty may be less than the maximum guaranty as described above in the event a veteran's guaranty entitlement previously used for a guaranteed loan has not been restored by the VA. The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guaranty exceed the amount of the original guaranty. Notwithstanding the dollar and percentage limitations of the guaranty, a mortgage holder will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater

than the original 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 its assignment to the VA. Under certain circumstances, a mortgagee is required to accept partial payments on a loan that is more than 30 days overdue, and the VA requires that the mortgagee consider, and undertake where appropriate, specified loss mitigation actions to avoid foreclosure, including loan modifications in some circumstances (see "Loan Modifications" in "The Single Family Program").

Under the single family programs, a VA mortgage loan would be guaranteed in any amount which, together with the down payment by the mortgagor, will at least equal 25% of the lesser of the sales price or the appraised value of the single-family dwelling.

Rural Development Mortgage Guarantee

United States Department of Agriculture Rural Development ("RD") (formerly known as the Farmers Home Administration and later as the Rural Economic and Community Development Service) permits a low or moderate income purchaser of a home in designated rural areas to obtain a mortgage loan guarantee from RD. To qualify as a low or moderate income purchaser, a purchaser's income must not exceed the median income for the area in which the home is located. Loans may not exceed FHA 203(b)(2) loan limits. No down payment is required from the purchaser.

Under the RD Guarantee Program, the mortgagee is entitled to payment of the guarantee only after (i) the property has been sold at foreclosure or otherwise sold to a third party in conformity with RD requirements or (ii) six months have elapsed from the date the mortgagee acquired title to the property. RD guarantees the first 35% of loss and 85% of any additional loss, not to exceed 90% of the loan amount. Loss is defined as (i) the outstanding principal balance and accrued interest of the mortgage loan as of the date of the loss claim settlement, plus reasonable liquidation costs, minus (ii) net proceeds, which are calculated based upon (A) a property's actual sale price, when the claim is made following sale to a third party, and (B) estimated market value, reduced by a credit for estimated holding costs, when no sale has been made within six months from the date the mortgagee acquired title to the property. A mortgagee seeking loss claim payment following sale of a property at foreclosure may be required to first pursue enforcement of any deficiency judgment obtained if there is a reasonable prospect of present recovery. A mortgagee that receives a loss claim payment based upon the estimated value of a property not sold within six months following acquisition may be required to pay RD a proportionate share of future recovery if the property is later sold for more than the estimated value. RD requires that, in the absence of the consent of the mortgagor, payment of the mortgage loan must be at least 90 days delinquent before the mortgagee may initiate foreclosure proceedings. The mortgagee must obtain prior RD approval for any liquidation of the property other than by foreclosure or accepting a deed in lieu of foreclosure. RD also requires that the mortgagee make a reasonable attempt to arrange an interview with the mortgagor before payment on the mortgage loan becomes 60 days delinquent, and requires that the mortgagee consider, and undertake where appropriate, specified loss mitigation actions to avoid foreclosure, including loan modifications in some circumstances with prior RD approval (see "Loan Modifications" in "The Single Family Program"). Rural Development does not accept assignment of property subject to its guarantee.

Private Mortgage Insurance

Each private mortgage insurance policy with respect to a mortgage loan must contain provisions substantially as follows: (i) the mortgage insurer must pay a claim, including unpaid principal, accrued interest, the amounts equal to deferred interest in connection with mortgage loans with graduated payments schedules, if any, and expenses, within 60 days of presentation of the claim by the Authority; (ii) when a claim for the outstanding principal amount, accrued interest and expenses is presented, the mortgage insurer must either (a) pay such claim in full and take title to the mortgaged property and arrange for its sale or (b) pay the insured percentage of such claim and allow the Authority to retain title to the mortgaged property or (c) settle a claim for actual losses where such losses are less than the insured percentage of the claim. (See "Mortgage Loan Insurance" in "The Single Family Program" for a discussion of federal legislation affecting private mortgage insurance).

CERTAIN FEDERAL INCOME TAX MATTERS RELATING TO SINGLE FAMILY MORTGAGE LOAN PROGRAMS

The Code substantially restricts the use of proceeds of tax-exempt bonds used to finance mortgage loans for single family housing or to refund such bonds. Under the Code, interest on bonds the proceeds of which are used to provide mortgage loans on owner-occupied housing is not excluded from gross income for federal income tax purposes unless the bonds are part of a "qualified mortgage issue." An issue of bonds constitutes a "qualified mortgage issue" if all of the following requirements are met: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences, (ii) the mortgage loans financed with the issue and the mortgagors meet certain eligibility requirements, (iii) the yield that is earned by the issuer of the bonds from such mortgage loans and from certain non-mortgage investments that are allocable to the issue, including investments that are held as part of a debt service reserve fund, does not exceed specified limitations and (iv) certain other requirements are met relating to the issue itself and the availability of proceeds of the issue for financing housing located in federally designated targeted areas ("Targeted Areas") (as defined below). These requirements are more fully described below. The Authority has issued and is issuing Tax-Exempt Bonds and expects to issue additional Tax-Exempt Bonds which are or will be subject to these requirements ("Qualified Mortgage Bonds"). Interest on Taxable Bonds is included in gross income for federal income tax purposes; therefore, Taxable Bonds are not subject to these requirements. However, some of the single family mortgage loans financed by Taxable Bonds were formerly financed, in part, by certain Qualified Mortgage Bonds which are Tax-Exempt Bonds as defined and used in the text of this Official Statement.

The following requirements apply to single family mortgage loans financed, in whole or in part, with the proceeds of Qualified Mortgage Bonds.

Residence Requirements

As required by the Code, all residences financed with Qualified Mortgage Bonds must be single family residences located within the Commonwealth, and both the Authority and the mortgagor must reasonably expect that the residence will become the mortgagor's principal residence within a reasonable time after the single family mortgage loan is executed or assumed. These requirements can normally be met by having each mortgagor execute an affidavit stating that the residence is within the Commonwealth and that the mortgagor intends to make the residence his principal residence within such reasonable time period, normally 60 days. The Authority has covenanted to require such an affidavit.

Absence of Prior Home Ownership

Except in the case of (i) a mortgagor acquiring a residence in a Targeted Area, or (ii) a mortgagor who is a qualified veteran the Code requires that 95% of net proceeds of the Qualified Mortgage Bond issue must be loaned to mortgagors who have had no present ownership interest in a principal residence within the three years preceding the date on which the single family mortgage loan is executed. The Code permits the Authority to rely on an affidavit of a mortgagor to the effect that such requirement has been satisfied and an examination of federal income tax returns for three years evidencing compliance with such requirement. In lieu of such tax returns, a mortgagor may provide a letter from the Internal Revenue Service to the effect that he or she filed Forms 1040A or 1040EZ for such three year period. The Authority has covenanted that it will procure and diligently examine each such affidavit and accompanying tax returns, when required.

Purchase Price Limitations

The Code requires that the purchase price of each residence being financed with the proceeds of Qualified Mortgage Bonds not exceed 90% (110% in the case of Targeted Areas (as defined below)) of the applicable average area purchase price. The Authority has adopted purchase price limitations which are not in excess of 90% (110% in the case of Targeted Areas (as defined below)) of the current "safe harbor average area purchase prices" published by the U.S. Treasury which may be relied upon for purposes of compliance with the Code. The Authority may adopt different purchase price limitations in the future in accordance with the Code.

Income Requirements

The Code requires that all of the single family mortgage loans made with the proceeds of certain Qualified Mortgage Bonds be provided to borrowers whose annual gross income does not exceed 115% (100% for households of fewer than three persons) of the applicable median family income. An exception is provided for loans made with respect to Targeted Area residences for which the Code requires two-thirds of such loans be provided to borrowers whose annual gross income does not exceed 140% (120% for households of fewer than three persons) of applicable median family income and one-third of such loans may be made without regard to any income limitation. The Authority has covenanted to verify compliance with these requirements by requiring each borrower to certify as to the amount of his or her annual gross income.

Targeted Areas

In order to comply with the Code, the Authority must, for at least one year after the date on which lendable proceeds of the Qualified Mortgage Bonds are first available for financing of single family mortgage loans, make available for single family mortgage

loans in so-called Targeted Areas within the Commonwealth an amount equal to the lesser of 20% of the proceeds of such Bonds (other than any refunding bonds as to which the original refunded bonds were issued after 1980) which are devoted to providing owner financing or 40% of the average annual aggregate principal amount of mortgages executed in the preceding three years for single family owner-occupied residences in Targeted Areas within the Commonwealth. The Authority's program includes sending periodic program announcements to Originating Lenders and not-for-profit service providers serving the Targeted Areas advising them of the availability of such proceeds and including maps of the Targeted Areas in their region. The Authority's efforts to place single family mortgage loans in Targeted Areas includes advertising in pamphlets, brochures and handouts concerning the single family program that mortgage funds are available for such areas. The Targeted Areas in which the Authority is to make the mortgage funds available include those census tracts in the Commonwealth in which 70% or more of the families have an income which is 80% or less of the statewide median family income based on the most recent "safe harbor" statistics published by the U.S. Treasury. Targeted Areas also include areas of chronic economic distress designated by the Commonwealth and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the Code.

Other Single Family Mortgage Loan Eligibility Requirements

The Code does not allow proceeds of Qualified Mortgage Bonds to be used to acquire existing mortgage loans (thereby requiring the Authority to apply such proceeds only to newly-originated mortgage loans) or to replace existing mortgage loans (thereby precluding refinancings of mortgage loans). This requirement does not prohibit the Authority from acquiring or replacing construction loans, bridge loans or other similar temporary initial financing. The Purchase Agreements incorporate these restrictions.

The Code requires that each mortgage loan financed with the proceeds of Qualified Mortgage Bonds may only be assumed if the requirements relating to principal residence, three year lack of prior ownership, income requirements and acquisition cost limitations are met with respect to the assumption. The determinations as to compliance with these requirements are to be made as of the date on which the mortgage loan is being assumed. Accordingly, the Authority must make the required statistical study or otherwise determine (e.g., by reliance on "safe harbor" statistics published by the U.S. Treasury) the relevant average area purchase prices for each statistical area within the Commonwealth on an annual basis, and must assure compliance with the other applicable requirements of the Code as long as a series of bonds is outstanding. The Authority has so covenanted in the Commonwealth Mortgage Bonds Resolution and the Homeownership Mortgage Bonds Resolution and has required in the single family mortgage loan documents that no single family mortgage loan may be assumed unless the applicable requirements of the Code are satisfied.

Limitation on Mortgage Yield

Under the Code, the yield on single family mortgage loans or portion thereof financed by Qualified Mortgage Bonds may not exceed one and one-eighth percentage points over the yield on the related bonds.

Recapture

The Code provides for an increase in the federal income tax of certain mortgagors upon sale of their homes (the "Recapture Provision"). Under the Recapture Provision, an amount determined to be subsidy provided to the mortgagors by Qualified Mortgage Bond financing (but not in excess of 50% of the gain) is recaptured on disposition of the home. The recapture amount increases over the period of ownership, with full recapture occurring if the house is sold between four and five full years after the closing of the mortgage loan. The recapture amount declines ratably to zero with respect to sales between five and nine full years after the closing of the mortgage loan. An exception excludes from recapture part of all of the subsidy in the case of assisted individuals whose incomes are less than prescribed amounts at the time of the disposition. The Code requires that the issuer of Qualified Mortgage Bonds provide at settlement of each mortgage loan a written statement informing the mortgagor of the Recapture Provision and, within 90 days thereafter, a written statement specifying certain information needed by the mortgagor to compute the recapture amount. The Authority has included in its program documentation requirements that such information be provided in the time and manner required by the Code.

The following requirements apply only with respect to Qualified Mortgage Bonds, except as otherwise noted; accordingly, these requirements do not apply to Taxable Bonds.

Other Requirements

For Qualified Mortgage Bonds, the Code requires the Authority to pay to the U.S. Treasury certain amounts earned on investments, which amounts must be computed in accordance with the applicable provisions of the Code. The Authority has covenanted to establish accounting procedures to determine the amount of such excess investment earnings. Such amount, if any, is not subject to the pledge or lien of the Commonwealth Mortgage Bonds Resolution and Homeownership Mortgage Bonds Resolution. This requirement also applies to certain Tax-Exempt Non-AMT Bonds that are not otherwise subject to the requirements referenced in the first paragraph of this Appendix D.

The Code provides limits on the maximum amount of certain tax-exempt bonds (including Qualified Mortgage Bonds) which may be issued in any state in each calendar year.

The Code requires retirement or redemption of Qualified Mortgage Bonds (other than certain refunding bonds) from unexpended proceeds required to be used to make mortgage loans which have not been used within 42 months from the date of issuance of the bonds, except for a $250,000 de minimis amount.

The Code permits repayments (including prepayments) of principal of mortgage loans financed with the proceeds of Qualified Mortgage Bonds to be used to make additional mortgage loans only for 10 years from the date of issuance of the bonds, after which date such amounts must be used to retire or redeem bonds (except for a $250,000 de minimis amount) (the "10-Year Rule"). In the case of refunded bonds, the 10 year period is measured from the date of issuance of the original refunded bonds. As a result, the Authority may be required by the Code to retire or redeem Qualified Mortgage Bonds from repayments (including prepayments) of principal of single family mortgage loans financed with proceeds allocable to the Qualified Mortgage Bonds.

Good Faith Effort

An issue of Qualified Mortgage Bonds which fails to meet the mortgage eligibility requirements will be treated as meeting all such requirements if:

(i) the issuer in good faith attempted to meet such requirements before the mortgages were executed;

(ii) 95% of the proceeds devoted to owner-financing were devoted to residences with respect to which (at the time the mortgages were executed) all such requirements were met; and

(iii) any failure to meet such requirements is corrected within a reasonable period after such failure is first discovered.

The good faith requirement described in (i) will be satisfied by the Authority's establishing reasonable procedures, including reasonable investigations, to ensure compliance with the requirements under the Code. The 95% requirement referred to in clause (ii) above will be considered to have been satisfied by the Authority's procuring and examining affidavits evidencing compliance from the mortgagors and sellers of residences and income tax returns filed by the mortgagors with the Internal Revenue Service for the preceding three years (or statements in the mortgagors' affidavits that one or more of such returns were not required to have been filed or letters from the IRS that Forms 1040A or 1040EZ were filed for such period). Calling the non-qualifying mortgage or replacing it with a qualifying mortgage will constitute the correction of such failure under clause (iii) above.

The failure to meet the arbitrage and other issue-related requirements will not affect the tax-exemption of an issue of Qualified Mortgage Bonds under the Code and the applicable regulations if:

(i) the issuer in good faith attempted to meet all such requirements; and

(ii) any failure to meet such requirements was due to inadvertent error after taking reasonable steps to comply with such requirements.

Monitoring for Compliance with the Code

Under the procedures which the Authority has established to comply with the Code, Originating Lenders will be responsible for reviewing each single family mortgage loan application and the accompanying documentation, including the affidavits and federal tax returns described above, for compliance with the requirements of the Code. Normal and appropriate measures are required to be undertaken to verify the information given, either independently or concurrently with credit reviews, when applicable. All documentation is to be cross-checked to assure that the information presented is complete and consistent.

Originating Lenders are required to represent as to each single family mortgage loan that, among other things, (i) the single family mortgage loan is in compliance with the Authority's processing guide setting forth the procedures and requirements with respect to the processing of single family mortgage loans, (ii) the lender has reviewed the mortgagor's application, the affidavits described above, and the mortgagor's federal income tax returns for compliance with the provisions of the Code, and (iii) the single family mortgage loan has been closed in accordance with the processing guide.

Prior to financing such single family mortgage loan, the Authority reviews the documents submitted to the Authority, including the mortgagor's application, the affidavits described above and the mortgagor's federal income tax returns, for compliance with the requirements of the Code. The Authority has delegated to certain of its Originating Lenders the review described in the preceding sentence and the Authority also performs such review subsequent to financing each single family mortgage loan originated by such Originating Lender.

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DEVELOPMENTS AND AUTHORITY PROPERTY FINANCED IN THE RENTAL HOUSING BONDS

Information as of March 31, 2026

Development (7)	Location	Original Mortgage Loan Amount (1)	Current Mortgage Loan Amount (9)	Program (8)	Type of Occupancy	Total Units	Occupancy Rate (5)	Construction Complete
Developments with Mortgage Loans Funded by, or Scheduled to be Funded By, the Currently Outstanding Bonds								
1 West Jackson Street	Richmond City	$4,475,000	$3,245,407	MUMI (2)	General	54	98%	100%
1131 North Kensington Street	Arlington County	$710,000	$188,745	Conventional	Supportive Hsg	8	n/a	100%
115 Berkshire Place	Lynchburg City	$68,000	$32,339	Conventional	Supportive Hsg	1	n/a	100%
1229 Hull Street	Richmond City	$1,000,000	$739,023	MUMI (2)	General	10	n/a	100%
1314 West Johnson Street	Staunton City	$950,000	$565,196	Conventional	Supportive Hsg	18	n/a	100%
1906 Charles Street	Fredericksburg City	$105,000	$3,630	Conventional	Supportive Hsg	3	n/a	100%
1907 Charles Street	Fredericksburg City	$335,000	$194,531	Conventional	Supportive Hsg	2	n/a	100%
200 West I	Virginia Beach City	$11,200,000	$10,274,144	Tax Credit	General	152	99%	100%
200 West II	Virginia Beach City	$10,095,000	$8,980,391	Tax Credit	General	112	94%	100%
2001 East Broad Street	Richmond City	$8,150,000	$6,638,273	MUMI (2)	General	75	89%	100%
2112 Nicolet Circle	Richmond City	$290,000	$238,438	Conventional	General	5	n/a	100%
217 Paladin Drive	Virginia Beach City	$184,500	$101,064	Conventional	Supportive Hsg	4	n/a	100%
2323 Arden Street	Fairfax County	$750,000	$475,965	Conventional	Supportive Hsg	6	n/a	100%
2525 Main	Richmond City	$35,265,000	$33,364,814	MUMI (2)	General	217	96%	100%
2604 Charles Street	Fredericksburg City	$264,500	$62,817	Conventional	Supportive Hsg	2	n/a	100%
27 Atlantic	Virginia Beach City	$92,500,000	$89,822,445	Conventional	General	240	94%	100%
288 Lofts I	Chesterfield County	$12,200,000	$11,873,900	Tax Credit	General	112	98%	100%
288 Lofts II	Chesterfield County	$6,400,000	$6,241,920	Tax Credit	General	48	98%	100%
3548 Barry Street	Virginia Beach City	$177,000	$95,873	Conventional	Supportive Hsg	4	n/a	100%
401 Campbell Lofts	Roanoke City	$1,250,000	$836,036	MUMI (2)	General	16	n/a	100%
4108 Middle Ridge Road	Fairfax County	$251,000	$162,163	Conventional	Supportive Hsg	4	n/a	100%
501 East Main Street	Richmond City	$900,000	$727,607	MUMI (2)	General	8	n/a	100%
5612 Dunn Loring Court	Virginia Beach City	$295,000	$106,445	Conventional	Supportive Hsg	3	n/a	100%
607 Notabene	Alexandria City	$700,000	$524,499	Conventional	Supportive Hsg	8	n/a	100%
647 Stuart Street	Fredericksburg City	$80,000	$22,756	Conventional	Supportive Hsg	1	n/a	100%
665 Bethune Drive	Virginia Beach City	$198,900	$108,951	Conventional	Supportive Hsg	4	n/a	100%
701 Saint James	Richmond City	$3,250,000	$2,331,453	Conventional	General	41	100%	100%
801 Main Street	Newport News City	$1,960,000	$1,645,113	Tax Credit	Elderly	44	95%	100%
802 Cynthianna Avenue	Charlottesville City	$345,000	$206,060	Conventional	General	6	n/a	100%
824 Madison Avenue	Roanoke City	$120,000	$3,883	Tax Credit	General	4	n/a	100%
908 Perry Street	Richmond City	$4,535,000	$3,357,511	Conventional	General	41	100%	100%
909 Perry Street	Richmond City	$4,000,000	$3,019,839	Conventional	General	44	98%	100%
9525 Pampas Drive	Chesterfield County	$234,500	$103,505	Tax Credit	Supportive Hsg	5	n/a	100%
Abby I	Fredericksburg City	$450,000	$141,892	Conventional	Supportive Hsg	6	n/a	100%
Abby II	Fredericksburg City	$605,000	$239,048	Conventional	Supportive Hsg	8	n/a	100%
AC Wilson Building	Radford City	$875,000	$650,957	MUMI (2)	General	10	n/a	100%
Ada Park	Newport News City	$1,950,000	$1,644,393	Tax Credit	General	42	81%	100%
Aero I	Hampton City	$5,060,000	$4,662,742	Tax Credit	General	72	100%	100%
Aero II	Hampton City	$5,100,000	$4,696,946	Tax Credit	General	48	100%	100%
Affordable Homes	Hampton City	$270,000	$197,318	Conventional	Supportive Hsg	2	n/a	100%
Ainsworth	Henrico County	$80,250,000	$79,419,810	MUMI (2)	General	350	92%	100%
Akers Rentals	Russell County	$400,000	$309,035	Conventional	General	9	n/a	100%

Alexander at 1090 I	Richmond City	$4,150,000	$3,850,777	Tax Credit	General	48	92%	100%
Alexander at 1090 II	Richmond City	$4,545,000	$4,199,354	Tax Credit	General	48	90%	100%
Amherst Acres III	Amherst County	$415,000	$253,124	Tax Credit	General	10	n/a	100%
Angel Court	King George County	$1,425,000	$1,000,067	Tax Credit	General	24	100%	100%
Angelwood at Caroline	Caroline County	$1,150,000	$842,819	Tax Credit	General	26	96%	100%
Ann Wingfield Commons	Culpeper County	$3,000,000	$2,628,890	Tax Credit	General	44	100%	100%
Ansell Gardens	Portsmouth City	$1,900,000	$912,766	Tax Credit	General	78	99%	100%
Apex East	Arlington County	$15,200,000	$14,230,130	Tax Credit	General	125	94%	100%
Apex West	Arlington County	$18,645,000	$17,210,033	Tax Credit	General	131	96%	100%
Aqua Vista	Newport News City	$21,000,000	$20,540,911	Tax Credit	General	150	99%	100%
Aquia Fifteen at Towne Center	Stafford County	$31,000,000	$27,111,623	Tax Credit	General	256	96%	100%
Arbelo and Longview Terrace	Alexandria City	$8,250,000	$6,406,607	Tax Credit	General	75	92%	100%
Arbor Glen	Chesapeake City	$13,645,000	$11,233,562	Tax Credit	General	240	97%	100%
Arbors	Richmond City	$4,179,916	$3,199,687	Tax Credit	Elderly	85	99%	100%
Arbors at 29 North	Greene County	$15,900,000	$15,839,464	Tax Credit	Elderly	120	99%	100%
Arbors at Birchwood	Virginia Beach City	$22,400,000	$21,823,777	Mixed Income Only	General	150	99%	100%
Arbors at Hull Street	Richmond City	$16,980,000	$16,371,833	Tax Credit	Elderly	186	99%	100%
Arbors at Pembroke	Hampton City	$16,550,000	$16,075,233	Mixed Income Only	Elderly	150	98%	100%
Arbors at Shoulders Hill	Suffolk City	$13,500,000	$12,119,934	Tax Credit	Elderly	138	99%	100%
Arbors at Towne Park	York County	$10,700,000	$9,553,519	Tax Credit	Elderly	130	100%	100%
Arbors at Western Branch	Chesapeake City	$23,100,000	$21,665,722	MUMI (2)	Elderly	163	99%	100%
Arbors at Williamsburg	York County	$21,870,000	$20,549,711	MUMI (2)	Elderly	150	97%	100%
Arden - Building A	Fairfax County	$12,424,000	$11,956,994	Tax Credit	General	79	95%	100%
Arden - Building B	Fairfax County	$8,895,000	$8,393,673	MUMI (2)	General	47	91%	100%
Argon	Richmond City	$7,210,000	$6,112,912	Conventional	General	66	97%	100%
Arlington Mill	Arlington County	$8,870,000	$7,032,375	Tax Credit	General	122	99%	100%
Arlington View Terrace East	Arlington County	$10,572,000	$10,208,408	Tax Credit	General	77	97%	100%
Armstrong Place	Lynchburg City	$220,000	$161,475	Tax Credit	Supportive Hsg	28	100%	100%
Armstrong Renaissance 1A	Richmond City	$2,500,000	$2,175,985	Tax Credit, RAD	Supportive Hsg	60	98%	100%
Armstrong Renaissance 1B	Richmond City	$750,000	$626,898	Tax Credit	Elderly	45	96%	100%
Armstrong Renaissance 2A	Richmond City	$5,475,000	$5,057,503	Tax Credit	General, Elderly	70	94%	100%
Armstrong Renaissance 2B	Richmond City	$3,300,000	$3,031,916	Tax Credit	Elderly	45	96%	100%
Arna + Marbella	Arlington County	$16,100,000	$15,559,158	Tax Credit	General	163	92%	100%
Artisan Hill	Richmond City	$27,700,000	$25,134,489	MUMI (2)	General	204	97%	100%
Ashburn Chase I	Loudoun County	$5,250,000	$4,869,017	Tax Credit	General	48	81%	100%
Ashburn Chase II	Loudoun County	$7,090,000	$6,496,743	Tax Credit	General	48	92%	100%
Ashlake Crossing	Chesterfield County	$8,455,000	$8,407,318	Tax Credit	Elderly	67	97%	100%
Ashlake Trails	Chesterfield County	$6,825,000	$6,807,339	Tax Credit	General, Elderly	67	100%	100%
Ashland Woods	Hanover County	$12,275,000	$10,228,314	Tax Credit	General	150	99%	100%
Ashpone Tavern Village	Franklin County	$640,000	$340,741	Conventional	General	10	n/a	100%
Ashton I	Norfolk City	$5,850,000	$5,554,699	Tax Credit	General	70	99%	100%
Ashton II	Norfolk City	$5,425,000	$5,133,073	Tax Credit	General	48	96%	100%
Aspen Club	Fauquier County	$23,700,000	$22,383,105	Tax Credit	General	138	99%	100%
Aspen South	Fauquier County	$10,750,000	$9,030,735	Conventional	General	100	93%	100%
Aspire	Norfolk City	$11,180,000	$10,920,937	Tax Credit	General	85	95%	100%
Atrium Lofts at Cold Storage	Richmond City	$7,475,000	$5,912,288	Conventional	General	72	89%	100%
Attain Downtown	Norfolk City	$26,426,000	$22,828,248	Conventional	General	156	97%	100%
Audubon Village I	Henrico County	$14,350,000	$11,938,742	Tax Credit	General	160	88%	100%
Audubon Village II	Henrico County	$4,380,000	$3,718,734	Tax Credit	General	54	91%	100%
Austin Woods	Chesterfield County	$36,930,000	$34,758,003	Conventional	General	230	97%	100%
Autumn Ridge	Roanoke City	$683,000	$269,060	Mixed Income Only	General	72	97%	100%

Autumnwood Heights	Charlotte County	$1,105,000	$788,206	Tax Credit, RD515	Elderly	40	100%	100%
Bacon Retirement Community	Richmond City	$900,000	$104,145	Tax Credit	Elderly	58	98%	100%
Bainbridge Commons	Chesapeake City	$6,325,000	$4,921,846	Tax Credit	General	92	91%	100%
Baker School	Richmond City	$2,190,000	$2,024,614	Tax Credit, RAD	Elderly	50	88%	100%
Barrington	Prince William County	$10,275,000	$8,451,697	Conventional	General	124	98%	100%
Barton Mansion	Richmond City	$2,700,000	$2,499,564	Conventional	General	17	n/a	100%
Battleground	Smyth County	$335,000	$208,818	Tax Credit, RD515	General	24	100%	100%
Bay Creek	Hampton City	$10,525,000	$8,705,862	Tax Credit	General	184	93%	100%
Bayberry I	Virginia Beach City	$950,000	$518,484	Conventional	General	14	n/a	100%
Bayberry II	Virginia Beach City	$1,090,000	$586,537	Conventional	General	14	n/a	100%
Bayberry III	Virginia Beach City	$881,000	$414,479	Conventional	General	10	n/a	100%
Bayberry IV	Virginia Beach City	$788,000	$510,746	Conventional	General	8	n/a	100%
Bayberry V	Virginia Beach City	$1,245,000	$846,377	Conventional	General	10	n/a	100%
Bayberry VI	Virginia Beach City	$475,000	$316,093	Conventional	General	6	n/a	100%
Bayberry VII	Virginia Beach City	$775,000	$556,266	Conventional	General	8	n/a	100%
Beach Park West	Virginia Beach City	$1,250,000	$904,871	Conventional	Supportive Hsg	18	n/a	100%
Beasley Square	Alexandria City	$1,081,000	$746,066	Conventional	Elderly	8	n/a	100%
Beaverdam Creek	Hanover County	$2,420,000	$1,761,241	Tax Credit	General	120	98%	100%
Bella at Westchester	Chesterfield County	$49,540,000	$48,055,623	Conventional	General	250	82%	100%
Belle Meadows	Bristol City	$780,000	$489,591	Conventional	General	26	100%	100%
Belle Summit	Richmond City	$1,910,000	$1,558,782	Tax Credit	General	50	96%	100%
Bellefonte	Alexandria City	$2,700,000	$2,434,526	Tax Credit	Supportive Hsg	12	n/a	100%
Belleville Meadows	Suffolk City	$3,700,000	$3,161,757	Tax Credit, RD515	General	128	98%	100%
Ben Franklin House	Fairfax County	$575,000	$504,360	Conventional	Supportive Hsg	6	n/a	100%
Benn's Grant	Isle of Wight County	$46,990,000	$46,108,218	Mixed Income Only	General	240	89%	100%
Berkley Court	Franklin City	$1,120,000	$837,621	Tax Credit, RAD	General	75	96%	100%
Berkmar	Albemarle County	$44,145,000	$41,835,780	Conventional	General	261	91%	100%
Berkshire	Virginia Beach City	$2,900,000	$33,064	Conventional	General	106	98%	100%
Bettie S. Davis Village	Suffolk City	$2,150,000	$1,758,824	Tax Credit	Elderly	60	98%	100%
Beverly Park	Alexandria City	$3,505,000	$2,508,345	Tax Credit	General	33	100%	100%
Bickerstaff Crossing	Henrico County	$6,800,000	$6,454,686	Tax Credit	General	60	90%	100%
Biznet Supervised	Virginia Beach City	$138,500	$91,076	Conventional	Supportive Hsg	2	n/a	100%
Biznet Village	Virginia Beach City	$648,000	$411,485	Conventional	Supportive Hsg	24	92%	100%
Bloom	Alexandria City	$10,350,000	$9,666,296	Tax Credit	General	97	95%	100%
Bluegrass	Pulaski County	$600,000	$170,859	Tax Credit	Elderly	40	78%	100%
Booker T. Washington Plaza	Richmond City	$1,940,000	$1,568,341	Tax Credit	Elderly	28	93%	100%
Bowe and Clay	Richmond City	$660,000	$454,752	Conventional	General	6	n/a	100%
Bowler Retirement Community	Richmond City	$1,000,000	$107,032	Tax Credit	Elderly	62	94%	100%
Braddock Terrace	Loudoun County	$4,225,000	$4,186,198	Tax Credit	General	20	n/a	100%
Bradford Mews	Isle of Wight County	$8,675,000	$6,507,516	Tax Credit	General	120	94%	100%
Brandywine	Virginia Beach City	$6,783,928	$5,001,110	Conventional	General	172	99%	100%
Brentwood Forest	Norfolk City	$2,497,000	$559,619	Conventional	General	107	99%	100%
Bridge 17	Suffolk City	$19,900,000	$18,669,764	Conventional	General	144	98%	100%
Broadstone at River Oaks	Prince William County	$18,150,000	$14,909,379	Tax Credit	General	184	95%	100%
Brookdale	Albemarle County	$11,900,000	$10,789,977	Tax Credit	General	96	84%	100%
Brunswick Commons	Brunswick County	$660,000	$464,716	Tax Credit, RD515	Elderly	24	100%	100%
Brunswick Village	Brunswick County	$750,000	$282,015	Tax Credit, RD515	General	48	98%	100%
Buchanan Gardens	Arlington County	$7,690,000	$6,000,559	Tax Credit	General	111	97%	100%
Buckingham Village III	Arlington County	$6,800,000	$5,503,562	Tax Credit	General	92	100%	100%
Buckingham Village Parcel B	Arlington County	$4,500,000	$3,411,209	Tax Credit	General	48	98%	100%
Buckman Colchester Housing	Fairfax County	$432,000	$271,981	Conventional	Supportive Hsg	6	n/a	100%

Buckman Colchester-Audubon	Fairfax County	$73,000	$45,960	Conventional	Supportive Hsg	1	n/a	100%
Buckman Colchester-San Leandro	Fairfax County	$135,000	$84,994	Conventional	Supportive Hsg	1	n/a	100%
Buckroe Pointe	Hampton City	$22,050,000	$19,533,615	Conventional	General	252	92%	100%
Burnt Ordinary	James City County	$1,250,000	$598,496	Tax Credit, RD515	General	80	93%	100%
Burton Creek	Lynchburg City	$4,000,000	$3,597,504	Tax Credit	General	85	89%	100%
Cadence	Arlington County	$16,340,000	$15,484,401	Tax Credit	General	97	97%	100%
Calvert Manor	Arlington County	$2,225,143	$1,602,261	Tax Credit	General	23	96%	100%
Cameo Street	Richmond City	$5,900,000	$5,707,109	Tax Credit	General	67	87%	100%
Cameron Commons	Arlington County	$1,500,000	$254,754	Conventional	General	16	n/a	100%
Campostella at Clairmont I	Norfolk City	$4,700,000	$3,952,702	Tax Credit	General	84	100%	100%
Campostella at Clairmont II	Norfolk City	$5,100,000	$4,246,504	Tax Credit	General	68	100%	100%
Cananche Creek	Norton City	$570,000	$371,629	Tax Credit, RD515	General	36	97%	100%
Canterbury Commons	Waynesboro City	$110,500	$45,174	Conventional	Supportive Hsg	6	n/a	100%
Canterbury Commons I	Staunton City	$225,000	$101,458	Conventional	Supportive Hsg	6	n/a	100%
Canterbury Commons II	Staunton City	$211,000	$124,928	Conventional	Supportive Hsg	6	n/a	100%
Canterbury Crossing	Chesapeake City	$195,000	$41,999	Tax Credit	General	30	97%	100%
Carlton Neighborhood Housing	Charlottesville City	$1,950,000	$1,654,884	Tax Credit	General	35	97%	100%
Carlton Views I	Charlottesville City	$2,000,000	$1,606,366	Tax Credit	Supportive Hsg	54	94%	100%
Carlton Views II	Charlottesville City	$2,730,000	$2,500,754	Tax Credit	Supportive Hsg	44	84%	100%
Carlton Views III	Charlottesville City	$3,250,000	$3,004,726	Tax Credit	General	48	98%	100%
Caroline Manor I	Caroline County	$356,000	$57,805	Tax Credit, RD515	General	24	96%	100%
Caroline Manor II	Caroline County	$135,000	$40,844	Tax Credit, RD515	General	17	n/a	100%
Carousel Court	Fairfax County	$8,680,000	$6,382,657	Tax Credit	General	90	98%	100%
Carriage Run	Emporia City	$1,100,000	$787,011	Tax Credit, RD515	Elderly	40	98%	100%
Carrier Point I	Newport News City	$2,347,000	$2,274,593	Mixed Income Only	General	43	88%	100%
Cary West	Richmond City	$1,650,000	$1,291,989	Tax Credit	General	47	85%	100%
Cedar Creek	Portsmouth City	$3,686,251	$2,320,474	Conventional	General	104	99%	100%
Cedar Creek I	Frederick County	$400,000	$286,086	Tax Credit, RD515	General	46	93%	100%
Cedar Crest I, II, III (combined)	Montgomery County	$3,350,000	$2,987,362	Conventional	General	78	100%	100%
Cedar Grove	Virginia Beach City	$1,177,000	$847,836	Tax Credit	Supportive Hsg	32	69%	100%
Cedar Street	Isle of Wight County	$440,000	$220,684	Tax Credit, RD515	General	24	83%	100%
Center Building	Smyth County	$2,100,000	$1,734,368	MUMI (2)	General	19	n/a	100%
Center West I	Chesterfield County	$32,000,000	$30,494,275	Conventional	General	200	96%	100%
Center West II	Chesterfield County	$44,000,000	$43,003,399	Conventional	General	251	93%	100%
Chantilly Mews	Fairfax County	$1,500,000	$641,019	Tax Credit	General	50	100%	100%
Charles Street Annex	Fredericksburg City	$78,000	$18,343	Conventional	Supportive Hsg	1	n/a	100%
Checed Warwick	Newport News City	$1,350,000	$536,178	Tax Credit	Elderly	48	98%	100%
Chesterbrook Residences	Fairfax County	$11,000,000	$7,460,293	Conventional	Elderly	97	96%	100%
Chickahominy Bluff	Hanover County	$8,975,000	$7,632,276	Tax Credit	General	120	100%	100%
Chuckatuck Square	Suffolk City	$1,245,500	$975,137	Tax Credit, RD515	General	42	93%	100%
Church Manor	Isle of Wight County	$650,000	$358,754	Tax Credit	General	50	98%	100%
Church Street Station Studios	Norfolk City	$2,850,000	$2,332,250	Tax Credit	Supportive Hsg	81	89%	100%
Circ	Richmond City	$18,000,000	$16,936,256	Conventional	General	106	93%	100%
Citywide Homes 2001	Virginia Beach City	$724,839	$621,294	Tax Credit	General	32	97%	100%
Clarendon Court	Arlington County	$7,710,000	$6,397,456	Mixed Income Only	General	103	94%	100%
Cliffs Edge Lofts	Lynchburg City	$4,199,000	$3,130,041	MUMI (2)	General	52	100%	100%
Clopton	Richmond City	$1,685,000	$1,265,419	Conventional	General	44	84%	100%
Cogbill Road Group Home	Chesterfield County	$260,000	$183,359	Conventional	Supportive Hsg	5	n/a	100%
Cole Harbour	Nottoway County	$600,000	$415,027	Tax Credit, RD515	General	36	86%	100%
College Green I	Richmond County	$330,000	$169,029	Tax Credit, RD515	Elderly	32	97%	100%
College Square Collins	Suffolk City	$950,000	$314,572	Conventional	General	20	n/a	100%

College Square Investments	Suffolk City	$2,150,000	$711,928	Conventional	General	40	100%	100%
Colonial Heights	Fredericksburg City	$950,000	$651,165	Tax Credit	Supportive Hsg	14	n/a	100%
Colonnade at Rocktown I	Harrisonburg City	$3,373,000	$2,646,724	MUMI (2)	General	6	n/a	100%
Columbia Hills East	Arlington County	$7,861,492	$6,747,714	Tax Credit	General	97	100%	100%
Columbia Hills West	Arlington County	$12,450,000	$10,550,891	Tax Credit	General	132	100%	100%
Community Havens - Glebe Road	Arlington County	$820,728	$742,574	Conventional	Supportive Hsg	6	n/a	100%
Community Havens-Burke Road	Fairfax County	$943,000	$686,303	Conventional	Supportive Hsg	6	n/a	100%
Congress Street	Shenandoah County	$750,000	$85,755	Tax Credit	General	38	97%	100%
Cool Lane	Henrico County	$5,000,000	$4,875,102	Mixed Income Only	General	87	95%	100%
Cotton Mill Lofts	Roanoke City	$8,458,424	$6,664,450	Conventional	General	108	95%	100%
Country Green	Halifax County	$125,000	$89,402	Tax Credit, RD515	General	44	93%	100%
Courthouse Commons I	Richmond County	$650,000	$221,491	Conventional	General	12	n/a	100%
Courthouse Commons II	Richmond County	$750,000	$325,591	Conventional	General	12	n/a	100%
Courthouse Crossings	Arlington County	$8,600,000	$6,234,393	Tax Credit	General	112	99%	100%
Courthouse Green	Spotsylvania County	$715,000	$400,554	Tax Credit, RD515	General	40	95%	100%
Courthouse Lane I	Caroline County	$1,100,000	$134,874	Tax Credit, RD515	Elderly	32	97%	100%
Courthouse Lane II	Caroline County	$600,000	$347,342	Tax Credit, RD515	Elderly	24	96%	100%
Coves at Monticello	Fluvanna County	$19,120,000	$18,740,224	Tax Credit	General	124	90%	100%
Craigmont Manor	Augusta County	$618,678	$466,113	Tax Credit, RD515	General	44	86%	100%
Creekside Manor	Henrico County	$4,690,000	$3,949,039	Mixed Income Only	General	97	96%	100%
Crescent Halls	Charlottesville City	$3,000,000	$2,868,225	Tax Credit	General	105	93%	100%
Crescent Square	Virginia Beach City	$2,400,000	$1,855,152	Tax Credit	Supportive Hsg	80	90%	100%
Crevenna Oaks	Fairfax County	$14,600,000	$14,518,282	Tax Credit	General	50	98%	100%
Crewe Village	Nottoway County	$500,000	$405,792	Tax Credit, RD515	General	40	100%	100%
Cricket Hill	Mathews County	$300,000	$186,018	Tax Credit, RD515	General	30	97%	100%
Crispus Attucks	Northampton County	$750,000	$559,148	Tax Credit	General	22	82%	100%
Cromwell House	Norfolk City	$8,350,000	$6,756,994	Tax Credit	Elderly	205	82%	100%
Cross Creek	Mecklenburg County	$380,000	$357,697	Tax Credit, RD515	Elderly	19	n/a	100%
Crown Square	Henrico County	$3,423,500	$940,329	Conventional	General	90	97%	100%
Crozet Meadows	Albemarle County	$1,715,000	$1,216,109	Tax Credit	Elderly	66	92%	100%
Culpeper Crossing	Culpeper County	$2,480,000	$2,116,483	Tax Credit	General	28	93%	100%
Culpeper Shelter	Culpeper County	$200,000	$108,943	Conventional	Supportive Hsg	15	n/a	100%
Culpepper Garden I	Arlington County	$12,500,000	$10,993,738	Tax Credit	Elderly	210	95%	100%
Current	Richmond City	$36,500,000	$34,220,801	Conventional	General	215	92%	100%
Cypress Landing	Chesapeake City	$2,440,000	$2,039,508	Tax Credit	Supportive Hsg	50	88%	100%
Cypress Terrace	Newport News City	$1,650,000	$1,269,941	Tax Credit, RAD	General	82	77%	100%
Daffodil Gardens II	Gloucester County	$1,430,434	$1,348,115	Tax Credit	General, Elderly	40	98%	100%
Dan River Falls	Pittsylvania County	$18,400,000	$18,323,624	Conventional	General	150	97%	100%
Dante Crossing	Russell County	$273,000	$181,516	MUMI (2)	General	12	n/a	100%
Deerfield Village Townhomes II	Pulaski County	$760,000	$562,093	Conventional	General	10	n/a	100%
Delmont Village	Henrico County	$3,150,000	$1,884,958	Tax Credit	General	94	93%	100%
Denbigh Village	Newport News City	$24,100,000	$21,566,551	Conventional	General	244	95%	100%
Dewitt-Wharton Manufacturing Building	Lynchburg City	$2,500,000	$2,458,765	Conventional	General	24	83%	100%
Diggs Town	Norfolk City	$13,777,700	$12,434,639	Tax Credit, RAD	General	222	96%	100%
Dogwood Terrace	Wise County	$920,000	$160,172	Tax Credit	General	97	98%	100%
Dolly Ann	Alleghany County	$1,950,000	$1,480,536	Tax Credit	General	108	99%	100%
Dr. Hughes House	Richmond City	$950,000	$849,477	Conventional	General	4	n/a	100%
Dresden	Newport News City	$1,400,000	$960,430	Tax Credit	Supportive Hsg	32	84%	100%
Dulles Center I	Fairfax County	$29,700,000	$28,178,830	Tax Credit	General	144	100%	100%
Dulles Center II	Fairfax County	$27,200,000	$25,765,655	Tax Credit	General	128	99%	100%
Earle of Warwick Square	Newport News City	$3,300,000	$524,047	Conventional	General	107	98%	100%

East Falls	Fairfax County	$29,458,148	$24,822,328	Tax Credit	General	305	90%	100%
East Gate Village II	Orange County	$2,433,000	$2,295,825	Tax Credit	General	37	97%	100%
Edison	Richmond City	$18,000,000	$14,237,045	MUMI (2)	General	174	96%	100%
Eggleston Plaza	Richmond City	$3,825,000	$3,399,389	MUMI (2)	General	42	98%	100%
Elderspirit Community	Washington County	$850,000	$515,895	Tax Credit	Elderly	16	n/a	100%
Elevate 17 I	Virginia Beach City	$15,100,000	$14,695,009	Tax Credit	General	128	95%	100%
Elevate 17 II	Virginia Beach City	$12,550,000	$12,220,901	Tax Credit	General	92	98%	100%
Elkmont Manor	Rockingham County	$412,452	$308,870	Tax Credit, RD515	General	44	100%	100%
Ella Scott's Addition	Richmond City	$40,200,000	$38,088,401	MUMI (2)	General	250	96%	100%
Essex Manor	Essex County	$266,000	$231,970	Tax Credit, RD515	Elderly	40	100%	100%
Exmore Village I	Northampton County	$666,949	$500,970	Tax Credit, RD515	Elderly	36	100%	100%
Faison Residences	Henrico County	$5,150,000	$4,475,312	MUMI (2)	General	45	96%	100%
Falls I	Essex County	$1,150,000	$602,259	Conventional	General	16	n/a	100%
Falls II	Essex County	$1,225,000	$685,733	Conventional	General	16	n/a	100%
Falls III	Essex County	$950,000	$534,694	Conventional	General	12	n/a	100%
Fields of Alexandria	Alexandria City	$29,500,000	$21,300,764	Tax Credit	General	306	90%	100%
Fields of Old Town	Alexandria City	$9,500,000	$6,776,918	Tax Credit	General	98	89%	100%
Fieldstone	Montgomery County	$7,060,000	$6,307,958	Tax Credit	General	84	82%	100%
Fieldstone Senior	Montgomery County	$2,550,000	$2,283,130	Tax Credit	Elderly	60	83%	100%
Fisher House I	Arlington County	$2,729,912	$1,550,616	Tax Credit	General	33	97%	100%
Fisher House II	Arlington County	$6,530,000	$5,511,107	Tax Credit	General	68	97%	100%
Fitzgerald	Prince William County	$54,000,000	$53,673,513	Tax Credit	General	280	96%	100%
Fitzgerald	Danville City	$3,480,000	$3,452,927	Mixed Income Only	General	22	91%	100%
Florida Terrace	Lynchburg City	$400,000	$386,010	Tax Credit	General	31	100%	100%
Floyd Village Square	Floyd County	$1,272,922	$941,793	MUMI (2)	General	9	n/a	100%
Forest at Angelwood	King George County	$310,000	$220,205	Conventional	Supportive Hsg	6	n/a	100%
Forest Glen I	Fairfax County	$8,700,000	$12,124,692	Tax Credit	Elderly	119	96%	100%
Forest Glen II	Fairfax County	$11,785,000	$9,813,114	Tax Credit	Elderly	119	92%	100%
Forest Hills at Belview	Montgomery County	$2,500,000	$1,931,835	Tax Credit	General	70	97%	100%
Forrest Landing II	Newport News City	$5,600,000	$4,873,647	Tax Credit	General	64	100%	100%
Fort Garfield	Arlington County	$1,969,000	$1,429,434	Conventional	General	20	n/a	100%
Fort Myer I	Arlington County	$485,000	$352,095	Tax Credit	General	11	n/a	100%
Foundry	Richmond City	$25,950,000	$24,249,567	Tax Credit	General	200	76%	100%
Foxcroft	Hampton City	$5,000,000	$3,252,829	Conventional	General	120	95%	100%
Frank Roane	Lynchburg City	$630,000	$479,481	Tax Credit	Elderly	26	100%	100%
Franklin South	Franklin City	$152,000	$49,313	Tax Credit, RD515	General	32	97%	100%
Frederick at Courthouse	Arlington County	$9,962,734	$7,363,411	MUMI (2)	General	108	100%	100%
Friendship Village	Virginia Beach City	$5,405,000	$3,481,772	Tax Credit	General	109	97%	100%
Fulton Hill School	Richmond City	$6,200,000	$5,651,980	MUMI (2)	General	33	100%	100%
Fusion at Neon	Norfolk City	$48,000,000	$46,122,466	MUMI (2)	General	237	97%	100%
Gateway Senior	Augusta County	$6,420,000	$5,994,603	Tax Credit	Elderly	80	100%	100%
Gateway Village	Giles County	$663,649	$313,643	Tax Credit, RD515	General	42	88%	100%
Germanna Heights	Orange County	$1,100,000	$858,251	Tax Credit	Elderly	50	96%	100%
Gilliam Place East	Arlington County	$7,874,000	$7,092,158	MUMI (2)	General	83	100%	100%
Gilliam Place West	Arlington County	$6,740,000	$5,827,405	Tax Credit	General	90	99%	100%
Gladiola Crescent Group Home	Virginia Beach City	$190,000	$81,006	Conventional	Supportive Hsg	5	n/a	100%
Goodwyn at Union Hill	Richmond City	$2,115,000	$1,819,058	Tax Credit	General	52	92%	100%
Grand Richmond at Brook Run	Henrico County	$7,000,000	$5,495,809	Tax Credit	Elderly	120	95%	100%
Grande Oak III	York County	$4,400,000	$4,400,000	Tax Credit	Elderly	49	99%	100%
Grayson Manor	Grayson County	$427,000	$422,538	Tax Credit, RD515	Elderly	32	66%	100%
Great Oak	Newport News City	$4,144,470	$2,148,128	Tax Credit	Elderly	143	97%	100%

Greene Hills Estates	Fairfax County	$21,150,000	$19,107,529	Tax Credit	General	100	100%	100%
Greens at Northridge	Culpeper County	$6,850,000	$4,448,469	Tax Credit	General	108	96%	100%
Greens at Virginia Center	Henrico County	$12,850,000	$10,973,693	Tax Credit	General	180	98%	100%
Groom School	Mecklenburg County	$1,200,000	$1,058,663	Tax Credit	General	55	100%	100%
Grottoes II	Rockingham County	$940,000	$277,001	Tax Credit	General	34	94%	100%
Grottoes III	Rockingham County	$750,000	$273,388	Tax Credit	General	26	96%	100%
Grottoes Manor	Rockingham County	$517,360	$389,780	Tax Credit, RD515	General	46	100%	100%
Grove	Newport News City	$14,315,000	$12,112,563	Mixed Income Only	General	240	93%	100%
Gum Springs Glen	Fairfax County	$1,500,000	$574,216	Tax Credit	Elderly	60	98%	100%
Gypsy Hill House	Staunton City	$2,350,000	$1,814,428	Tax Credit	Elderly	100	95%	100%
Hamilton Place I	Portsmouth City	$4,375,000	$3,514,897	Tax Credit	General	84	96%	100%
Hamilton Place II	Portsmouth City	$2,510,000	$1,964,738	Tax Credit	General	84	98%	100%
Harbor Inn	Virginia Beach City	$3,600,000	$1,252,566	Conventional	General	138	93%	100%
Hardywood Village	Richmond City	$33,200,000	$32,127,690	Mixed Income Only	General	198	95%	100%
Hawk's Landing	Greene County	$4,100,000	$3,780,354	Tax Credit	General	50	100%	100%
HDCofHR Hampton Scattered Sites	Hampton City	$531,206	$434,171	Conventional	Supportive Hsg	15	n/a	100%
HDCofHR Newport News Scattered Sites	Newport News City	$284,509	$232,538	Conventional	Supportive Hsg	4	n/a	100%
Heather Glen	Radford City	$1,340,945	$767,147	Tax Credit	General	40	95%	100%
Henley Place	Montgomery County	$2,175,000	$1,458,082	Tax Credit	General	41	100%	100%
Henry Williams	Petersburg City	$1,450,000	$1,103,620	Tax Credit	General	42	100%	100%
Heritage Museum	Waynesboro City	$550,000	$388,081	MUMI (2)	General	6	n/a	100%
Hiatt Run	Frederick County	$17,750,000	$15,346,045	Conventional	General	121	93%	100%
Hiddenbrooke	Fairfax County	$285,000	$135,626	Conventional	Elderly	6	n/a	100%
Highlands II	Rockingham County	$650,000	$211,474	Tax Credit	General	24	100%	100%
Hillcrest Heights	Roanoke City	$950,000	$613,760	Tax Credit	General	24	100%	100%
Historic Manor	Richmond City	$930,000	$609,237	MUMI (2)	General	17	n/a	100%
HOPE Scattered Sites (3)	Wythe County	$140,000	$110,267	Conventional	Supportive Hsg	8	n/a	100%
Hope Village	Portsmouth City	$1,815,000	$1,468,173	Tax Credit	General	48	98%	100%
Horner	Chesterfield County	$3,950,000	$3,940,435	Tax Credit	General	49	94%	100%
Huckleberry Court	Montgomery County	$2,800,000	$1,803,954	Tax Credit	General	50	100%	100%
Hunt Ridge I	Rockbridge County	$1,350,000	$827,511	Tax Credit	General	46	91%	100%
Hunt Ridge II	Rockbridge County	$680,000	$464,525	Tax Credit	General	24	91%	100%
Huntington Village	Newport News City	$6,170,000	$5,847,500	Tax Credit	General	96	98%	100%
Hurt Park (3)	Roanoke City	$1,350,000	$942,511	Tax Credit	General	40	93%	100%
Hydro	Richmond City	$39,000,000	$37,412,787	MUMI (2)	General	226	96%	100%
Icon at City Walk	Norfolk City	$71,113,000	$63,432,073	MUMI (2)	General	269	95%	100%
Imperial Tobacco Lofts	Lynchburg City	$4,706,030	$3,763,201	MUMI (2)	General	61	100%	100%
Iron Bridge Road	Chesterfield County	$3,530,000	$2,930,035	Tax Credit	General	80	98%	100%
Ivy's Home	Virginia Beach City	$200,000	$139,472	Conventional	Supportive Hsg	2	n/a	100%
Jabez Court I and II	Franklin City	$194,000	$69,998	Conventional	General	6	n/a	100%
Jameson at Kincora	Loudoun County	$81,676,136	$76,583,194	Conventional	General	333	95%	100%
Jefferson Brookville	Newport News City	$1,400,000	$707,647	Tax Credit	General	50	94%	100%
Jefferson Mews	Richmond City	$3,575,000	$2,647,552	Tax Credit	General	56	95%	100%
Joyfield Flats at Woodbridge	Prince William County	$42,715,000	$42,649,363	Tax Credit	General	240	76%	100%
Keysville Manor	Charlotte County	$350,000	$105,897	Tax Credit, RD515	General	24	100%	100%
Kindlewood I (3)	Charlottesville City	$16,236,000	$15,542,795	Tax Credit	General	106	89%	100%
King William Manor	King William County	$3,055,000	$2,859,846	Tax Credit	Elderly	40	93%	100%
King William Village	King William County	$390,000	$168,070	Tax Credit, RD515	Elderly	32	97%	100%
Kingsbridge North	Chesapeake City	$4,520,000	$2,508,538	Conventional	General	102	97%	100%
Kingsridge I	Henrico County	$4,838,000	$4,225,037	Tax Credit	General	72	94%	100%
Kingsridge II	Henrico County	$5,880,000	$5,558,496	Tax Credit	General	71	99%	100%

Kingsridge III	Henrico County	$2,097,721	$1,996,563	Tax Credit	General	24	96%	100%
Kippax Place	Hopewell City	$1,788,130	$1,382,670	Tax Credit, RAD	General	100	90%	100%
L and Z Historic	Richmond City	$1,120,000	$423,052	Conventional	General	14	n/a	100%
Lacy Court	Alexandria City	$6,925,000	$5,973,887	Tax Credits	General	44	100%	100%
Lafayette Square	Fredericksburg City	$765,000	$198,213	Conventional	Supportive Hsg	12	n/a	100%
Lafayette Square	James City County	$1,210,000	$713,738	Tax Credit, RD515	General	106	96%	100%
Lafayette Village Elderly	James City County	$248,000	$144,689	Tax Credit, RD515	Elderly	32	97%	100%
Lafayette Village Family	James City County	$1,255,000	$741,151	Tax Credit, RD515	General	112	98%	100%
Lake Anne House	Fairfax County	$46,500,000	$44,032,636	Tax Credit, RAD	Elderly	240	99%	100%
Lakeside Manor	Rockbridge County	$355,565	$267,883	Tax Credit, RD515	General	23	100%	100%
Landings I - Mt. Vernon	Alexandria City	$36,000,000	$32,178,826	Conventional	General	216	73%	100%
Landings II - Ft. Belvoir	Fairfax County	$12,190,000	$10,859,704	Conventional	General	76	87%	100%
L'Arche 413 South Highland Street	Arlington County	$500,000	$287,336	Conventional	Supportive Hsg	4	n/a	100%
Larkspur	Galax City	$1,100,000	$746,606	Conventional	General	18	n/a	100%
Larkspur	Arlington County	$5,900,000	$4,334,450	Tax Credits	General	76	78%	100%
Lassiter Courts	Newport News City	$1,500,000	$1,273,477	Tax Credit, RAD	General	100	92%	100%
Laurel Court	Virginia Beach City	$2,775,000	$1,700,638	Conventional	General	80	94%	100%
Laurel Ridge	Carroll County	$3,500,000	$3,178,130	Tax Credits	General	56	100%	100%
Laurel Woods	Hanover County	$500,000	$223,695	Tax Credit, RD515	General	40	100%	100%
Law Building	Norfolk City	$22,150,000	$18,822,914	MUMI (2)	General	135	95%	100%
Lawrenceville Manor	Brunswick County	$252,000	$60,254	Tax Credit, RD515	General	24	79%	100%
Lawson Building	Roanoke City	$2,000,000	$1,494,814	MUMI (2)	General	25	92%	100%
Leavell Charles	Fredericksburg City	$325,000	$103,120	Conventional	Supportive Hsg	10	n/a	100%
Lebanon Village I	Surry County	$250,000	$91,741	Tax Credit, RD515	Elderly	24	100%	100%
Lebanon Village II	Surry County	$480,000	$337,975	Tax Credit, RD515	Elderly	24	92%	100%
Lee Overlook	Fairfax County	$39,000,000	$36,956,853	Tax Credit	General	196	92%	100%
Lee Townhouses	Caroline County	$590,000	$210,546	RD515	General	18	n/a	100%
Leesburg II	Loudoun County	$20,000,000	$13,855,827	Tax Credit	General	248	96%	100%
Leggett	Radford City	$950,000	$892,833	MUMI (2)	General	11	n/a	100%
Levis Hill House	Loudoun County	$930,000	$488,030	Tax Credit	Elderly	20	n/a	100%
Lexington Place Phase I	Portsmouth City	$6,291,000	$5,782,647	MUMI (2)	General	72	99%	100%
Liberty Crest	Fairfax County	$24,400,000	$20,412,315	MUMI (2)	General	165	96%	100%
Lincoln Mews I	Richmond City	$2,911,000	$3,303,589	Tax Credit	General	115	90%	100%
Lincoln Mews II	Richmond City	$2,363,000	$2,159,072	Tax Credit	General	130	85%	100%
Lindsay Hill Seniors	Fairfax County	$1,215,000	$1,034,540	MUMI (2)	Elderly	55	95%	100%
Local	Winchester City	$39,370,000	$39,117,740	Conventional	General	198	31%	100%
Locker Room	Roanoke City	$4,550,000	$3,684,600	MUMI (2)	General	56	95%	100%
Locks Tower	Richmond City	$49,457,000	$46,370,768	MUMI (2)	General	237	96%	100%
Lofts at Beckstoffer's Mill	Richmond City	$1,545,000	$1,154,439	MUMI (2)	General	22	91%	100%
Lofts at Meadowcreek	Charlottesville City	$10,350,000	$9,334,981	Conventional	General	65	95%	100%
Lofts on First and Kirk	Roanoke City	$1,025,000	$748,360	Conventional	General	12	n/a	100%
Lofts on Jefferson	Newport News City	$600,000	$457,435	Conventional	General	14	n/a	100%
Longview on Broadway	Roanoke City	$1,165,500	$1,030,576	Conventional	General	9	n/a	100%
Loudoun View East	Loudoun County	$6,020,000	$5,595,614	Tax Credit	Elderly	50	100%	100%
Loudoun View West	Loudoun County	$3,832,800	$3,620,917	Tax Credit	Elderly	48	100%	100%
Luray Meadows	Page County	$2,235,200	$2,075,151	Tax Credit	General	52	100%	100%
Luray Village	Page County	$800,000	$496,846	Tax Credit, RD515	Elderly	34	100%	100%
Lynchburg High	Lynchburg City	$1,070,000	$735,039	Tax Credit	General	74	89%	100%
Lynhaven (William Watters)	Alexandria City	$2,310,000	$1,822,774	Tax Credit	General	49	57%	100%
Macedonia	Arlington County	$3,910,000	$2,888,411	MUMI (2)	General	36	94%	100%
Madison at Ballston Station	Arlington County	$9,150,000	$6,930,073	Tax Credit	General	100	96%	100%

Madison House	Loudoun County	$1,300,000	$214,094	Tax Credit	Elderly	100	100%	100%
Madison Ridge	Fairfax County	$11,750,000	$7,832,659	Conventional	General	98	99%	100%
Magnolia Place	Nottoway County	$875,000	$842,801	Tax Credit, RD515	Elderly	56	89%	100%
Magruder Run II	Hampton City	$14,420,000	$13,352,176	Tax Credit	General	144	92%	100%
Mallard Cove I	Chesterfield County	$6,250,000	$4,286,353	Mixed Income Only	General	144	96%	100%
Mallard Cove II	Chesterfield County	$4,275,000	$2,975,880	Mixed Income Only	General	108	98%	100%
Malvern Hills	Portsmouth City	$2,450,000	$1,513,939	Tax Credit	Elderly	55	100%	100%
Mangrove II	Norfolk City	$864,000	$725,613	Conventional	General	14	n/a	100%
Manor View	Portsmouth City	$2,878,000	$329,425	Conventional	General	128	98%	100%
Maple Avenue	Loudoun County	$4,061,314	$2,419,342	Tax Credit	General	60	97%	100%
Maplewood	Chesapeake City	$20,205,333	$16,263,444	Tax Credit	General	320	96%	100%
Maplewoods Plaza	Norfolk City	$2,100,000	$1,703,289	MUMI (2)	General	13	n/a	100%
Marbella North Nine	Arlington County	$12,130,000	$12,130,000	Tax Credit	General	96	99%	100%
Marbella South Four	Arlington County	$20,400,000	$20,366,964	Tax Credit	General	138	32%	100%
Marina Villa	Norfolk City	$17,690,000	$16,472,629	Conventional	General	105	99%	100%
Market Heights I	Norfolk City	$7,081,000	$6,725,988	Tax Credit	Supportive Hsg	80	91%	100%
Market Heights II	Norfolk City	$8,995,000	$8,468,564	Tax Credit	General	84	94%	100%
Market Slip	Richmond City	$1,250,000	$409,597	Tax Credit	General	30	97%	100%
Market Square III	Chesterfield County	$1,870,000	$1,040,800	Tax Credit	Elderly	69	88%	100%
Market Square V	Chesterfield County	$3,400,000	$3,041,171	Tax Credit	Elderly	105	89%	100%
Market Woods	Chesterfield County	$3,135,000	$2,877,787	Tax Credit	Elderly	60	88%	100%
Maury River Place	Rockbridge County	$1,250,000	$1,132,442	Tax Credit, RD515	General	40	100%	100%
Meadowood	Norfolk City	$25,300,000	$21,238,126	Conventional	General	180	100%	100%
Meadows	Lynchburg City	$3,150,780	$2,440,328	Tax Credit	General	66	88%	100%
Meadows	Prince Edward County	$185,000	$89,277	Tax Credit, RD515	General	40	93%	100%
Meadows II - Wolf Creek Housing	Giles County	$150,000	$76,154	Tax Credit	General	11	n/a	100%
Meadowview	Pulaski County	$785,322	$311,883	Mixed Income Only	General	98	95%	100%
Mecklenburg Manor	Mecklenburg County	$2,000,000	$1,995,568	Tax Credit	General	51	88%	100%
Melton's Run	Carroll County	$630,000	$643,641	Tax Credit	General	48	83%	100%
Mercer Place	Lancaster County	$1,300,000	$837,105	Conventional	General	16	n/a	100%
Meridian at Watermark I	Chesterfield County	$31,513,871	$25,970,012	Conventional	General	204	93%	100%
Meridian at Watermark II	Chesterfield County	$13,234,772	$11,004,243	Mixed Income Only	General	96	93%	100%
Meridian Bay	Prince William County	$41,950,501	$41,293,571	Conventional	General	345	97%	100%
Meridian Harbourview	Suffolk City	$24,500,000	$20,800,468	Conventional	General	224	97%	100%
Meridian OBICI	Suffolk City	$31,159,071	$27,696,015	Conventional	General	224	94%	100%
Metro on Granby	Norfolk City	$22,010,000	$18,422,631	MUMI (2)	General	136	96%	100%
Mews on Little High Street	Charlottesville City	$2,225,000	$1,719,252	Tax Credit	Supportive Hsg	40	88%	100%
Mezzo Lofts at City Center	Richmond City	$14,560,000	$12,807,195	MUMI (2)	General	102	90%	100%
Middlebrook Trace	Staunton City	$6,518,200	$6,485,037	Tax Credit	General	82	91%	100%
Middlebrook Trace II	Staunton City	$3,504,000	$3,483,968	Tax Credit	General	48	96%	100%
Midpoint	Lynchburg City	$3,763,020	$2,920,406	MUMI (2)	General	48	100%	100%
Mill Park Terrace	Fredericksburg City	$1,435,000	$301,063	Tax Credit	Elderly	129	99%	100%
Miller Homes at Poplar Creek	Halifax County	$700,000	$516,656	Tax Credit	General	46	98%	100%
Miller's Rest I	Lynchburg City	$5,800,000	$5,497,587	Tax Credit	General	80	81%	100%
Miller's Rest II - A	Lynchburg City	$2,501,000	$2,430,793	Tax Credit	General	40	70%	100%
Miller's Rest II - B	Lynchburg City	$7,170,000	$6,904,334	Tax Credit	General	75	80%	100%
Millsap Lane	Washington County	$515,000	$270,610	Conventional	General	8	n/a	100%
Millview	Fauquier County	$2,500,000	$2,182,042	Tax Credit	General	28	96%	100%
Model Tobacco (4)	Richmond City	$34,700,000	$33,947,554	Conventional	General	203	80%	100%
Moffett Manor	Fauquier County	$5,000,000	$3,068,447	Tax Credit	Elderly	98	93%	100%
Monmouth Woods	King George County	$10,015,000	$8,639,484	Tax Credit	General	152	89%	100%

Monroe Gates	Hampton City	$21,960,000	$20,684,415	Mixed Income Only	General	162	96%	100%
Monterey	Hampton City	$750,000	$29,746	Tax Credit	General	40	73%	100%
Monticello Vista	Charlottesville City	$1,825,000	$1,212,320	Tax Credit	General, Elderly	50	92%	100%
Mount Vernon House	Fairfax County	$11,050,000	$8,503,285	Tax Credit	Elderly	130	99%	100%
Mount Vernon Village	Fairfax County	$341,100	$231,595	Conventional	Supportive Hsg	3	n/a	100%
Mountain Crest	Bath County	$575,000	$449,939	Tax Credit	Elderly	28	100%	100%
Mountain Laurel Manor I	Augusta County	$3,060,000	$2,794,101	Tax Credit	General	48	96%	100%
Mountain Laurel Manor II	Augusta County	$2,900,000	$2,677,871	Tax Credit	General	48	94%	100%
Mountain Laurel Manor III	Augusta County	$3,520,000	$3,370,406	Tax Credit	General	48	96%	100%
Mountain Run	Culpeper County	$750,000	$168,214	Tax Credit, RD515	General	50	96%	100%
Mountain View	Waynesboro City	$2,600,000	$1,872,968	Tax Credit	General	130	97%	100%
Mutual Building	Richmond City	$30,030,000	$28,682,806	MUMI (2)	General	168	95%	100%
Mutual Pharmacy	Wise County	$550,000	$475,561	MUMI (2)	General	5	n/a	100%
Narrows Town Offices	Giles County	$750,000	$536,172	Conventional	General	8	n/a	100%
Nest	Richmond City	$18,000,000	$16,930,170	Conventional	General	118	16%	100%
New Clay House II	Richmond City	$2,340,000	$2,009,498	Tax Credit	Supportive Hsg	80	98%	100%
New Manchester Flats I	Richmond City	$5,648,000	$4,305,300	Conventional	General	57	95%	100%
New Manchester Flats III	Richmond City	$1,250,000	$978,062	MUMI (2)	General	36	97%	100%
New Manchester Flats IV	Richmond City	$6,500,000	$5,359,723	Mixed Income Only	General	71	90%	100%
New Manchester Flats IX	Richmond City	$1,300,000	$1,022,184	Tax Credit	General	41	90%	100%
New Manchester Flats V	Richmond City	$10,010,000	$9,125,198	Tax Credit	General	104	88%	100%
New Phoenix Village	Newport News City	$1,802,000	$1,400,426	Tax Credit	Supportive Hsg	48	96%	100%
New River Gardens	Radford City	$173,000	$154,359	Tax Credit, RD515	General	48	100%	100%
Newport Village	Franklin City	$270,000	$133,384	Tax Credit, RD515	General	48	92%	100%
Newtown Crossing	Frederick County	$2,700,000	$2,382,282	Conventional	General	15	n/a	100%
Nexus at West Alex	Alexandria City	$8,700,000	$7,774,816	Tax Credit	General	74	97%	100%
Noah III	Virginia Beach City	$1,105,000	$784,385	Conventional	Supportive Hsg	9	n/a	100%
Noah IV	Virginia Beach City	$885,000	$617,517	Conventional	Supportive Hsg	7	n/a	100%
NOON Hioaks	Richmond City	$26,250,000	$26,128,514	Tax Credit	General	218	90%	100%
Norcroft	Richmond City	$2,188,301	$380,954	Tax Credit	Elderly	109	96%	100%
North Oak	Richmond City	$5,200,000	$3,942,309	Mixed Income Only	General	143	91%	100%
Northway	Galax City	$575,000	$569,999	Tax Credit	General	72	82%	100%
Northwinds	Wythe County	$3,030,000	$2,463,698	Tax Credit	General	144	97%	100%
Norton Green	Norton City	$311,000	$226,475	Tax Credit, RD515	Elderly	40	98%	100%
Nottoway River Commons	Sussex County	$1,045,000	$742,946	Tax Credit, RD515	General	44	98%	100%
Oakdale Square	Chesapeake City	$710,000	$350,024	Tax Credit	General	40	98%	100%
Oakland Village	Henrico County	$765,000	$251,505	Tax Credit, RAD	General	100	100%	100%
Oaks I	Fauquier County	$3,630,000	$2,228,055	Tax Credit	Elderly	96	98%	100%
Oaks II	Fauquier County	$750,000	$244,010	Tax Credit	Elderly	15	n/a	100%
Oakwood North Four	Fairfax County	$7,919,000	$7,716,268	Tax Credit	Elderly	79	99%	100%
Oakwood South Nine	Fairfax County	$6,338,000	$6,157,343	Tax Credit	Elderly	71	99%	100%
Ocean Trace	Virginia Beach City	$1,425,000	$1,062,582	Conventional	General	12	n/a	100%
October Station	Suffolk City	$3,325,000	$2,834,336	Tax Credit	General	48	90%	100%
Old Hundred Trace	Chesterfield County	$7,540,000	$7,523,470	Tax Credit	General	54	100%	100%
Old Manchester Plaza I (3)	Richmond City	$2,520,000	$1,883,974	Tax Credit	General	46	85%	100%
Old Manchester Plaza II	Richmond City	$950,000	$666,756	MUMI (2)	General	4	n/a	100%
Old Manchester Plaza III	Richmond City	$300,000	$229,361	MUMI (2)	General	0	n/a	100%
Old Prices Fork I	Montgomery County	$1,300,000	$1,051,629	MUMI (2)	Elderly	16	n/a	100%
Old Prices Fork II	Montgomery County	$1,950,000	$1,770,768	Mixed Income Only	General	16	n/a	100%
Old Stone Row	Richmond City	$9,000,000	$7,270,985	MUMI (2)	General	97	92%	100%
Omni Park Place	Hanover County	$4,900,000	$4,482,679	Tax Credit	Elderly	61	98%	100%

Orchard Grove	Giles County	$360,000	$96,345	Tax Credit	General	30	93%	100%
Orchard Mills	Prince William County	$34,910,000	$24,325,369	Tax Credit	General	280	97%	100%
Orchard Ridge at Jackson Village I	Spotsylvania County	$23,780,000	$21,584,581	Tax Credit	General	169	96%	100%
Orchard Ridge at Jackson Village II	Spotsylvania County	$10,800,000	$9,798,357	Tax Credit	General	76	97%	100%
Orchards at Belleville Harbour	Suffolk City	$6,400,000	$4,087,580	Mixed Income Only	Elderly	136	96%	100%
Origin Circle at Kindred	Norfolk City	$18,800,000	$18,193,187	MUMI (2)	General	120	96%	100%
Overlook Terrace	Spotsylvania County	$4,875,000	$4,028,663	Tax Credit	General	72	92%	100%
Oxford Square	Tazewell County	$696,300	$373,199	Tax Credit, RD515	General	87	100%	100%
Oyster Point - Brighton	Newport News City	$2,950,000	$2,348,270	Tax Credit, RAD	General	196	85%	100%
Pace on Main	Danville City	$1,890,000	$1,636,915	MUMI (2)	General	14	n/a	100%
Palmers Creek - Phase II	Spotsylvania County	$33,850,000	$32,743,154	Tax Credit	General	200	77%	100%
Parc Crest at Poplar Forest	Prince Edward County	$900,000	$641,726	Tax Credit	Elderly	44	95%	100%
ParcView	Alexandria City	$15,250,000	$11,014,588	Mixed Income Only	General	149	87%	100%
Park Street Square	Roanoke City	$550,000	$377,902	Tax Credit	General	25	96%	100%
Parkside	Culpeper County	$2,400,000	$2,391,238	Tax Credit	Supportive Hsg	37	n/a	100%
Parkside at Charles Street	Newport News City	$13,640,000	$11,438,088	Conventional	General	148	96%	100%
Parkstone	Alexandria City	$82,650,000	$80,433,801	Mixed Income Only	General	326	96%	100%
Parkview Gardens	Prince Edward County	$2,050,000	$1,540,988	Tax Credit	General	80	95%	100%
Parkway Village	Waynesboro City	$2,266,000	$3,536,263	Tax Credit	General	126	91%	100%
Pathway Homes 4024 Hirst Drive	Fairfax County	$780,000	$456,362	Conventional	Supportive Hsg	8	n/a	100%
Pathway Homes Fairfax	Fairfax County	$316,512	$206,785	Conventional	Supportive Hsg	9	n/a	100%
Patrick Henry Lofts	Roanoke City	$11,075,000	$8,918,552	MUMI (2)	General	133	98%	100%
Pavilion	Newport News City	$2,130,000	$1,623,127	Tax Credit	General	32	97%	100%
Pecan Acres Estates I	Petersburg City	$5,086,264	$4,664,400	Tax Credit, RAD	General	50	96%	100%
Pendleton Park	Alexandria City	$2,500,000	$1,718,131	Tax Credit	General	24	100%	100%
Penny at Jackson Ward	Richmond City	$24,300,000	$22,880,598	MUMI (2)	General	166	90%	100%
Perry Street Lofts	Petersburg City	$16,644,996	$10,689,860	Conventional	General	149	78%	100%
Peters Creek	Roanoke County	$9,550,000	$7,975,161	Tax Credit	General	168	98%	100%
Phelps Road Place	Amherst County	$125,000	$88,593	Tax Credit	Elderly	22	100%	100%
Pilot House	Newport News City	$8,575,000	$7,350,953	Tax Credit	General	132	98%	100%
Pin Oaks Estates	Petersburg City	$8,694,361	$8,244,785	Tax Credit, RAD	General	98	98%	100%
Pine and Ninth Street	Charlottesville City	$652,000	$230,071	Conventional	Supportive Hsg	8	n/a	100%
Pine Forest	King George County	$169,993	$149,236	Tax Credit, RD515	General	40	100%	100%
Pine Street North	Charlottesville City	$504,000	$261,723	Conventional	Supportive Hsg	6	n/a	100%
Pinecrest	Brunswick County	$2,125,000	$1,293,992	Tax Credit	General	70	86%	100%
Pinecrest	Bedford County	$2,450,000	$2,223,657	Tax Credit, RD515	General	64	98%	100%
Pines	Spotsylvania County	$648,000	$163,529	Tax Credit, RD515	General	46	100%	100%
Piper Square	Hopewell City	$8,655,000	$8,334,300	Tax Credit, RAD	General	104	94%	100%
Piper's Landing	Virginia Beach City	$5,512,327	$4,269,376	Conventional	General	153	97%	100%
Planters Woods	Mecklenburg County	$525,000	$430,184	Tax Credit, RD515	General	46	100%	100%
Ponce de Leon	Roanoke City	$7,655,000	$6,026,364	MUMI (2)	General	90	97%	100%
Poplar Forest	Prince Edward County	$3,904,664	$3,188,138	Conventional	General	66	97%	100%
Port 58 at Hillpoint Farms	Suffolk City	$40,950,000	$38,222,901	Mixed Income Only	General	230	95%	100%
Potomac Crest	Stafford County	$17,400,000	$16,421,168	Tax Credit	General	144	92%	100%
Powell Valley Village	Lee County	$693,000	$598,517	Tax Credit, RD515	General	34	100%	100%
Preston Lake	Rockingham County	$22,218,000	$20,833,539	Conventional	General	144	88%	100%
Preston Place	Frederick County	$16,400,000	$12,320,113	Tax Credit	General	236	97%	100%
Pretlow-Old Town	Franklin City	$1,250,000	$934,845	Tax Credit, RAD	General	75	88%	100%
Progress Street Center	Fredericksburg City	$735,000	$124,840	MUMI (2)	Supportive Hsg	6	n/a	100%
Pulaski Lofts	Pulaski County	$12,700,000	$12,700,000	Conventional	General	102	54%	100%
Pulaski Village	Pulaski County	$710,000	$517,035	Tax Credit, RD515	Elderly	44	95%	100%

Quaker Hill	Alexandria City	$3,182,000	$2,340,007	Tax Credit	General	60	98%	100%
Quarry Station	Manassas City	$4,505,000	$4,364,940	Tax Credit	Elderly	80	98%	100%
Quarter Mill	Henrico County	$14,700,000	$10,605,091	Tax Credit	General	266	97%	100%
Quarterpath Place	Williamsburg City	$3,617,500	$2,711,987	Conventional	General	54	91%	100%
Quarters at Park View	Portsmouth City	$20,450,000	$17,402,784	Conventional	General	140	93%	100%
Quebec	Arlington County	$19,800,000	$14,626,250	Tax Credit	General	172	91%	100%
Queens Court North	Arlington County	$19,320,000	$18,039,207	Mixed Income Only	General	159	97%	100%
Queens Court South	Arlington County	$9,245,000	$8,690,726	Tax Credit	General	90	100%	100%
R. C. Apartments	Richmond City	$786,000	$513,117	MUMI (2)	General	7	n/a	100%
Radford Fitness Center	Radford City	$525,000	$373,454	MUMI (2)	General	8	n/a	100%
Rappahannock	Essex County	$228,000	$120,803	Tax Credit, RD515	General	30	100%	100%
Regency at Longhill	James City County	$23,100,000	$18,807,595	Conventional	General	224	99%	100%
Renaissance I	Virginia Beach City	$8,660,000	$7,770,427	Tax Credit	General	96	99%	100%
Renaissance II	Virginia Beach City	$9,500,000	$8,465,511	Tax Credit	General	96	97%	100%
Renaissance III	Virginia Beach City	$6,850,000	$6,175,733	Conventional	General	48	96%	100%
Reserve at Daleville	Botetourt County	$32,600,000	$30,624,540	Conventional	General	188	95%	100%
Reserve at Stone Port II	Rockingham County	$40,560,000	$37,784,467	Conventional	General	240	82%	100%
Residences at North Hill I - B	Fairfax County	$8,400,000	$7,953,947	Tax Credit	General	47	91%	100%
Residences at North Hill II - A	Fairfax County	$10,225,000	$9,734,432	Tax Credit	General	75	93%	100%
Residences at North Hill II - B	Fairfax County	$14,650,000	$13,891,557	Tax Credit	General	94	89%	100%
Residences at North Hill Senior I - A	Fairfax County	$8,180,000	$7,993,875	Tax Credit	Elderly	63	94%	100%
Residences at October	Suffolk City	$1,800,000	$1,406,320	Tax Credit	General	72	97%	100%
Reston Herndon II	Fairfax County	$339,300	$47,798	Conventional	General	3	n/a	100%
Reston Herndon III	Fairfax County	$450,000	$106,611	Conventional	General	3	n/a	100%
Retreat at Harbor Pointe	Norfolk City	$27,715,000	$25,491,718	Tax Credit	General	246	94%	100%
Reunion Senior Living at Kindred	Norfolk City	$8,700,000	$8,380,468	Mixed Income Only	Elderly	72	97%	100%
Richmond Dairy	Richmond City	$4,400,000	$2,352,409	Mixed Income Only	General	113	83%	100%
Ridge I	Shenandoah County	$890,000	$330,969	Tax Credit	General	38	98%	100%
Ridge II	Shenandoah County	$950,000	$384,095	Tax Credit	General	38	98%	100%
Ridge III	Shenandoah County	$115,000	$394,617	Tax Credit	General	24	98%	100%
Ridgecrest Town	Bristol City	$2,550,000	$1,925,294	Tax Credit	General	72	96%	100%
RIHC Townhouses	Fairfax County	$245,000	$16,728	Conventional	General	3	n/a	100%
Rise at Regency I	Henrico County	$58,000,000	$55,706,777	Conventional	General	320	96%	100%
River House	Roanoke City	$11,275,000	$8,362,900	MUMI (2)	General	128	99%	100%
River Street Lofts	Petersburg City	$1,200,000	$953,462	MUMI (2)	General	8	n/a	100%
Riverbend II	Gloucester County	$4,125,000	$3,805,177	Tax Credit	General	60	98%	100%
Riverbend III	Gloucester County	$2,950,000	$2,717,525	Tax Credit	General	28	100%	100%
Rivermeade II	York County	$290,000	$160,611	Tax Credit, RD515	General	32	100%	100%
Rivers	Chesapeake City	$2,490,000	$1,529,763	Tax Credit, RD515	General	240	97%	100%
Riverside Park	Hopewell City	$3,515,000	$1,293,417	Conventional	General	120	93%	100%
Riverside Station I	Norfolk City	$14,000,000	$13,433,936	Tax Credit	General	120	97%	100%
Riverside Station II	Norfolk City	$14,950,000	$14,308,325	Tax Credit	General	116	98%	100%
Riverstone	Chesapeake City	$3,433,000	$701,789	Conventional	General	92	87%	100%
Riverwoods	Prince William County	$11,700,000	$9,148,754	Tax Credit	General	156	94%	100%
Roanoke Apartments	Newport News City	$735,000	$639,293	Conventional	General	12	n/a	100%
Robert Regan Village	Clarke County	$16,700,000	$15,683,712	Tax Credit	Elderly	120	85%	100%
Robinson Park	Rockingham County	$3,185,000	$2,710,942	Tax Credit	General	88	98%	100%
Roland E. Cook Lofts	Roanoke County	$2,150,000	$1,762,267	Conventional	General	21	100%	100%
Rolling Meadows	James City County	$14,325,000	$12,420,897	Tax Credit	General	200	100%	100%
Rosa	Richmond City	$4,172,000	$3,901,584	Tax Credit, RAD	Elderly	72	99%	100%
Round Hill Meadows	Orange County	$2,650,000	$2,017,915	Tax Credit	General	60	98%	100%

Round Hill Meadows Place	Orange County	$3,520,000	$2,690,804	Conventional	General	40	100%	100%
Royal Hills I	Warren County	$600,000	$429,130	Tax Credit, RD515	General	46	98%	100%
Rutledge Hills	Amherst County	$540,000	$347,752	Tax Credit, RD515	General	48	100%	100%
Salem Run I	Spotsylvania County	$29,200,000	$28,408,620	Tax Credit	General	160	94%	100%
Salem Run II	Spotsylvania County	$21,700,000	$21,096,022	Tax Credit	General	108	94%	100%
Sandston Woods	Henrico County	$1,500,000	$1,064,530	Tax Credit, RD515	General	64	100%	100%
Sapling Grove	Bristol City	$450,000	$293,747	Tax Credit	General	26	100%	100%
Saratoga Place	Suffolk City	$9,418,000	$9,387,619	Tax Credit	General	76	100%	100%
Scottsville School	Albemarle County	$1,430,000	$1,069,733	Tax Credit	Elderly	34	59%	100%
Scout	Richmond City	$33,700,000	$31,656,674	MUMI (2)	General	218	92%	100%
Seaside Harbor (3)	Virginia Beach City	$2,400,000	$2,075,166	Tax Credit	General	76	100%	100%
Senseny Place	Frederick County	$3,350,000	$3,208,093	Tax Credit	Elderly	63	100%	100%
Shalom	Lynchburg City	$325,000	$236,635	Tax Credit	General	46	91%	100%
Shell	Arlington County	$8,550,000	$6,912,796	MUMI (2)	General	83	95%	100%
Shell Gardens	Hampton City	$750,000	$21,331	Tax Credit	General	48	75%	100%
Shelton	Arlington County	$9,000,000	$6,716,268	MUMI (2)	General	94	96%	100%
Shire	Chesapeake City	$1,935,000	$1,558,751	Tax Credit	General	40	95%	100%
Shockoe Valley View I	Richmond City	$12,400,000	$10,018,636	Conventional	General	151	85%	100%
Shockoe Valley View II	Richmond City	$9,950,000	$8,633,500	MUMI (2)	General	87	97%	100%
Smith Seeds	Danville City	$2,363,000	$2,132,960	MUMI (2)	General	20	n/a	100%
Smokey Ridge	Montgomery County	$330,000	$258,705	Tax Credit, RD515	General	52	n/a	100%
Somanath Seniors at Beckstoffer's	Richmond City	$1,285,000	$970,401	Tax Credit	Elderly	39	90%	100%
Somerset at Town Center	Hampton City	$14,037,000	$11,694,431	Tax Credit	Elderly	151	98%	100%
South Falls I	Richmond City	$43,000,000	$40,594,942	MUMI (2)	General	255	95%	100%
South First Street I	Charlottesville City	$4,000,000	$3,789,792	Tax Credit	General	62	89%	100%
South Knight	Fairfax County	$307,000	$61,803	Conventional	General	3	n/a	100%
Southside Gardens	Portsmouth City	$2,100,000	$3,349,807	Tax Credit	General	134	92%	100%
Blair's School AKA Southside Lofts	Pittsylvania County	$1,100,000	$1,088,506	Tax Credit	General	55	93%	100%
Spicer's Mill	Orange County	$314,000	$190,954	Tax Credit, RD515	General	40	98%	100%
Spratley House	Newport News City	$1,400,000	$1,234,467	Tax Credit, RAD	Supportive Hsg	50	96%	100%
Spring Creek	Norfolk City	$1,850,000	$1,081,850	Conventional	General	62	94%	100%
Springs	Arlington County	$8,565,000	$6,930,882	MUMI (2)	General	104	97%	100%
St. James Street	Petersburg City	$172,800	$28,455	Conventional	General	6	n/a	100%
Stafford Lakes	Stafford County	$4,850,000	$585,523	Tax Credit	General	150	98%	100%
Station at Chester Village	Chesterfield County	$33,400,000	$31,731,183	Mixed Income Only	General	201	94%	100%
Station at Potomac Yard	Alexandria City	$8,350,000	$6,674,270	MUMI (2)	General	64	95%	100%
Steeplechase Manor	Fauquier County	$5,520,000	$5,144,727	Tax Credit	General	56	96%	100%
Stepping Stone	Roanoke City	$500,000	$219,530	Tax Credit	General	30	97%	100%
Stevens Woods	Southampton County	$1,745,000	$1,266,364	Tax Credit, RD515	General	60	97%	100%
Stonegate	Lee County	$296,380	$140,069	Tax Credit, RD515	General	36	86%	100%
Studios II	Richmond City	$357,263	$280,883	Tax Credit	Supportive Hsg	39	100%	100%
Suites at Port Warwick	Newport News City	$11,500,000	$6,458,913	Conventional	General	314	93%	100%
Summer Haven	Virginia Beach City	$3,300,000	$2,769,499	MUMI (2)	General	57	98%	100%
Summit	Hopewell City	$2,209,000	$1,666,044	Tax Credit, RAD	General	56	98%	100%
Summit	Richmond City	$30,400,000	$28,644,118	MUMI (2)	General	166	96%	100%
Summit Oaks	Fairfax County	$13,600,000	$13,523,705	Tax Credit	General	50	98%	100%
Sunnyside Village I	Northampton County	$88,000	$10,743	Conventional	General	16	n/a	100%
Sunrise	Charlottesville City	$4,320,000	$4,029,932	Conventional	General	22	100%	100%
Sunset Creek	Hampton City	$13,600,000	$12,307,882	Tax Credit	General	160	98%	100%
Surry Village I	Surry County	$700,000	$278,976	Tax Credit, RD515	General	48	96%	100%
Surry Village II	Surry County	$300,000	$214,565	Tax Credit, RD515	General	32	94%	100%

Sweetbriar I	Washington County	$517,045	$365,201	Tax Credit	General	20	n/a	100%
Sycamore Towers	Petersburg City	$4,000,000	$3,395,397	Tax Credit, RAD	Elderly	100	97%	100%
Taylor Bend	Chesapeake City	$3,268,000	$2,231,453	Conventional	General	30	97%	100%
Tazewell Square	Tazewell County	$307,000	$164,542	Tax Credit, RD515	General	56	98%	100%
Terwilliger East	Arlington County	$11,910,000	$11,208,789	Tax Credit	General	80	99%	100%
Terwilliger West	Arlington County	$7,930,000	$7,539,111	Tax Credit	General	80	99%	100%
Thrive	Chesapeake City	$7,600,000	$6,342,159	Tax Credit	General	102	98%	100%
Tobacco Landing	Richmond City	$1,000,000	$259,184	Tax Credit	General	62	97%	100%
Tomcliff II	Richmond City	$950,000	$153,043	Conventional	General	4	n/a	100%
Tomcliff III	Richmond City	$925,000	$381,602	Conventional	General	5	n/a	100%
Tomcliff IV	Richmond City	$945,000	$166,127	Conventional	General	2	n/a	100%
Tomcliff V	Richmond City	$950,000	$176,963	Conventional	General	2	n/a	100%
Tomcliff VI	Richmond City	$1,220,000	$316,638	Conventional	General	4	n/a	100%
Toms Brook School	Shenandoah County	$315,000	$218,683	Tax Credit	General	14	n/a	100%
Towne Square	Prince William County	$15,000,000	$10,638,829	Tax Credit	General	135	92%	100%
Townhomes at Liberty Place	Richmond City	$4,210,000	$4,206,517	Tax Credit	General	40	100%	100%
Townhomes at Warwick Place	Richmond City	$2,725,000	$2,320,450	Tax Credit	General	40	100%	100%
Townhomes at Warwick Place II	Richmond City	$1,800,000	$1,619,044	Tax Credit	General	30	93%	100%
Townsquare at Dumfries	Prince William County	$31,080,000	$28,940,278	Tax Credit	General	227	96%	100%
Tranquility at the Lakes	Virginia Beach City	$1,579,000	$1,297,256	Tax Credit	Elderly	40	100%	100%
Trevilian Square	Louisa County	$1,120,000	$790,892	Conventional	General	28	96%	100%
Tripoli Landing	Prince William County	$8,700,000	$8,579,252	Conventional	General	51	92%	100%
Tuscany Townhomes	Richmond City	$4,792,502	$3,295,968	Tax Credit	General	132	97%	100%
Tysons Landing	Fairfax County	$1,500,000	$635,910	Tax Credit	General	40	98%	100%
Tysons Towers	Fairfax County	$19,000,000	$16,687,909	Tax Credit, RAD	Elderly	274	97%	100%
Unity Homes at Ballston	Arlington County	$12,650,000	$12,416,692	MUMI (2)	General	144	96%	100%
Urban Hope - N 20th	Richmond City	$250,000	$223,988	Conventional	General	4	n/a	100%
Urban Hope Renewal	Richmond City	$725,000	$719,009	Conventional	General	16	n/a	100%
Urban Hope: Chimborazo Boulevard	Richmond City	$315,000	$262,006	Conventional	General	4	n/a	100%
Urbana at Hioaks	Richmond City	$26,300,000	$25,219,368	Tax Credit	General	216	100%	100%
Valley Vista	Shenandoah County	$2,129,100	$1,482,121	Tax Credit	General	85	96%	100%
Valor	Fredericksburg City	$16,750,000	$14,845,845	Tax Credit	General	128	97%	100%
Valor West	Fredericksburg City	$17,900,000	$16,158,680	Tax Credit	General	120	96%	100%
Van De Vyver	Richmond City	$12,160,000	$11,134,153	MUMI (2)	General	82	85%	100%
Victoria Park	Prince William County	$8,900,000	$7,060,621	Tax Credit	Elderly	110	95%	100%
Victoria Place	Lunenburg County	$550,000	$380,242	Tax Credit, RD515	Elderly	39	100%	100%
Victory Village	Portsmouth City	$7,980,000	$6,616,980	Tax Credit	General	112	99%	100%
Vida East	Richmond City	$20,750,000	$18,676,788	Conventional	General	178	83%	100%
View at Broadlands (3)	Loudoun County	$16,800,000	$16,388,740	Tax Credit	General	93	99%	100%
Village at Oakview	Bristol City	$825,000	$658,671	Tax Credit	General	48	100%	100%
Village at Rockbridge	Rockbridge County	$1,500,000	$1,077,251	Tax Credit	General	64	98%	100%
Village Green	Gloucester County	$330,000	$273,255	Tax Credit, RD515	General	32	100%	100%
Villas at October	Suffolk City	$2,860,000	$2,434,590	Tax Credit	General	39	100%	100%
Villas at Reid Landing	Suffolk City	$3,250,000	$3,008,391	Tax Credit	Elderly	51	98%	100%
Virnita Court	Charlottesville City	$765,000	$489,445	Tax Credit	General	16	n/a	100%
vPoint Clarendon	Arlington County	$14,500,000	$11,784,100	Tax Credit	General	116	98%	100%
Vue	Albemarle County	$21,750,000	$20,010,553	Conventional	General	126	91%	100%
Vue at Westchester Commons	Chesterfield County	$36,000,000	$33,631,003	Conventional	General	238	95%	100%
Waddell Estates	Smyth County	$605,000	$325,848	Conventional	General	17	n/a	100%
Walker Virginia Center	Henrico County	$55,700,000	$55,669,697	Mixed Income Only	General	275	76%	100%
Washburn Place	Fauquier County	$3,420,545	$2,975,981	Tax Credit	General	30	100%	100%

Washington Square	Emporia City	$222,396	$198,432	Tax Credit, RD515	General	24	100%	100%
Waverton Impressions I & II	Newport News City	$27,000,000	$23,802,623	Conventional	General	282	96%	100%
Waverton Impressions III	Newport News City	$12,800,000	$11,376,909	Conventional	General	132	98%	100%
Waxpool (3)	Loudoun County	$9,265,000	$8,975,655	Tax Credit	General	52	100%	100%
Wellesley	Newport News City	$1,094,000	$1,082,569	Tax Credit	General	40	100%	100%
West Main Development	Pulaski County	$425,000	$360,583	MUMI (2)	General	4	n/a	100%
West Main Street Townhouses	Pulaski County	$550,000	$128,134	Conventional	General	13	n/a	100%
West View	Henrico County	$68,847,000	$66,907,445	Mixed Income Only	General	282	91%	100%
Westbridge Commons	Chesapeake City	$780,000	$150,434	Tax Credit	General	60	98%	100%
Westminster Oaks	Fairfax County	$5,500,000	$4,431,116	Tax Credit	General	50	98%	100%
Weston Circle	Fredericksburg City	$13,200,000	$10,465,360	Tax Credit	General	150	99%	100%
Wexford Manor I	Fairfax County	$3,600,000	$2,913,307	Tax Credit	General	38	97%	100%
Wexford Manor II	Fairfax County	$4,625,000	$3,758,762	Tax Credit	General	36	92%	100%
Wheatland	Franklin County	$656,000	$290,283	Conventional	General	11	n/a	100%
Whittaker Place	Newport News City	$3,900,000	$3,222,723	Tax Credit	General	67	91%	100%
Wicklow Square	Fredericksburg City	$7,000,000	$5,650,501	Tax Credit	General	96	94%	100%
William Byrd	Richmond City	$4,900,000	$4,006,867	MUMI (2)	Elderly	104	98%	100%
William Watters (Lynhaven)	Arlington County	$1,930,000	$1,519,325	Tax Credit	General	21	86%	100%
Willow Branch	Amherst County	$150,000	$126,389	Tax Credit, RD515	General	48	98%	100%
Willow Oaks	Halifax County	$2,805,830	$2,167,749	Tax Credit	General	72	92%	100%
Wilsondale I	Hampton City	$6,997,000	$5,677,271	MUMI (2)	General	60	87%	100%
Wilton Farm	Albemarle County	$6,700,000	$4,522,384	Mixed Income Only	General	144	90%	100%
Winchester Forest I	Chesterfield County	$6,520,000	$6,460,299	Tax Credit	General	72	93%	100%
Winchester Forest II	Chesterfield County	$9,435,000	$9,231,476	Tax Credit	General	88	89%	100%
Windsor Court I	Isle of Wight County	$387,000	$117,753	Tax Credit, RD515	General	40	95%	100%
Woodbridge	Prince William County	$300,000	$183,469	Conventional	Supportive Hsg	4	n/a	100%
Woodland Hill	Arlington County	$20,750,000	$17,342,072	Tax Credit	Elderly	235	97%	100%
Woodland Park	Roanoke City	$4,290,000	$4,071,313	Mixed Income Only	General	35	97%	100%
Woodlands II	Albemarle County	$28,200,000	$25,713,063	Conventional	General	159	93%	100%
Woodlawn School	Carroll County	$1,500,000	$1,405,232	MUMI (2)	General	51	94%	100%
Woodman West	Henrico County	$36,450,000	$36,369,195	Tax Credit	General	196	90%	100%
Woodpecker Road Group Home	Chesterfield County	$270,000	$203,610	Conventional	Supportive Hsg	5	n/a	100%
Woodridge	Roanoke City	$1,200,000	$562,266	Mixed Income Only	General	96	91%	100%
Woodrum Manor and Westview	Giles County	$315,000	$209,812	MUMI (2)	General	26	88%	100%
Woods at Brambleton	Loudoun County	$17,170,000	$15,228,816	Tax Credit	General	202	99%	100%
Yorktown Arch	York County	$12,545,000	$10,116,026	Conventional	General	92	97%	100%
Yorktown Square I	York County	$1,901,000	$741,795	Tax Credit	General	56	88%	100%
Subtotals		**$5,732,212,932**	**$5,090,083,120**			**58,524**		
Developments that are financed by construction loans								
2100 Bainbridge	Richmond City	$11,520,000	$10,501,558	Tax Credit	General, Elderly	83	n/a	93%
700 West 44 I	Richmond City	$9,051,000	$5,114,110	Tax Credit	General	72	n/a	93%
700 West 44 II	Richmond City	$9,780,000	$4,135,919	Tax Credit	General	72	n/a	84%
95 Apartments	Richmond City	$22,910,000	$16,546,292	Conventional	General	162	n/a	98%
Afton Bellmeade	Richmond City	$17,510,000	$10,320,006	Tax Credit	General	150	n/a	54%
Alexandria GMV 4A	Alexandria City	$37,130,000	$23,707,317	Tax Credit	General	130	n/a	82%
Alexandria GMV 4B	Alexandria City	$31,800,000	$14,324,313	Tax Credit	General	210	n/a	49%
Arbors at Battlefield	Chesapeake City	$26,865,000	$6,699,516	Mixed Income Only	Elderly	183	n/a	40%
Atlantic Boulevard	Loudoun County	$14,800,000	$6,101,216	Tax Credit	General	80	n/a	56%
Avonlea Four	Loudoun County	$16,390,000	$10,312,363	Tax Credit	Elderly	65	n/a	90%

Barcroft	Arlington County	$20,010,000	$15,653,813	Mixed Income Only	General	93	n/a	70%
Colbrook II	Chesterfield County	$10,120,000	$2,067,550	Tax Credit	General	47	n/a	60%
Creekside Village I	Fairfax County	$45,430,000	$44,136,121	Tax Credit, RAD	General	220	58%	39%
Creekside Village II	Fairfax County	$19,660,000	$19,319,193	Tax Credit	General	99	89%	68%
Creighton II	Richmond City	$10,720,000	$9,008,687	Tax Credit	General	72	n/a	100%
Dominion South Four	Fairfax County	$76,270,000	$34,905,368	Tax Credit	General	251	n/a	79%
Grande Oak II	York County	$5,500,000	$4,867,154	Tax Credit	Elderly	49	n/a	100%
Hazel Hill	Fredericksburg City	$26,670,000	$13,733,107	Mixed Income Only	General	147	98%	37%
Heights at Brady Square II	Richmond City	$5,925,000	$5,883,307	Tax Credit	General	66	n/a	94%
Heights at Brady Square IV	Richmond City	$6,190,000	$3,980,806	Tax Credit	General	66	n/a	61%
Hickory Hope I	Albemarle County	$14,365,000	$12,058,562	Tax Credit	General	70	n/a	100%
Hickory Hope II	Albemarle County	$10,155,000	$9,252,750	Tax Credit	General	51	n/a	100%
Indigo at McLean Station I	Fairfax County	$54,500,000	$39,856,085	Tax Credit	General	231	n/a	98%
Indigo at McLean Station II	Fairfax County	$53,000,000	$34,829,302	Tax Credit	General	225	n/a	88%
Jersey Park	Isle of Wight County	$9,800,000	$7,455,805	Tax Credit	General	80	70%	29%
Kindlewood II	Charlottesville City	$34,300,000	$12,586,400	Tax Credit	General	100	n/a	50%
Lafayette	Fairfax County	$62,900,000	$62,753,842	Tax Credit	General	340	91%	89%
Lafayette Gardens	Richmond City	$13,800,000	$6,475,329	Tax Credit	General	102	80%	45%
Lexington Senior	Portsmouth City	$12,940,000	$11,697,998	Tax Credit	Elderly	105	n/a	100%
Liberty Gardens	Chesterfield County	$15,280,000	$13,560,152	Tax Credit	General	90	n/a	100%
Lodge at Autumn Willow II	Fairfax County	$14,000,000	$13,066,198	Tax Credit	Elderly	75	n/a	97%
MacDonald Manor	Chesapeake City	$27,275,000	$873,373	Tax Credit	General	152	n/a	21%
Mainline I	Stafford County	$26,140,000	$227,848	Tax Credit	General	140	n/a	22%
New Manchester Flats VI	Richmond City	$17,305,000	$15,614,235	Tax Credit	General	127	n/a	99%
Newport Gardens	Norfolk City	$5,900,000	$5,452,864	Tax Credit	General	50	n/a	98%
Noon at Hioaks II	Richmond City	$21,300,000	$1,100,202	Tax Credit	General	151	n/a	10%
NOON Ingram	Richmond City	$30,750,000	$30,746,666	Conventional	General	243	n/a	0%
Norfolk TWG at Kindred A	Norfolk City	$43,670,000	$5,216,305	MUMI (2)	General	191	n/a	28%
Pecan Acres Estates II	Petersburg City	$16,810,000	$14,400,468	Tax Credit	General	84	n/a	89%
Richmond Family Housing I	Richmond City	$12,300,000	$12,300,000	Tax Credit, RAD	General	122	n/a	100%
Richmond Family Housing II	Richmond City	$8,700,000	$8,700,000	Tax Credit, RAD	General	82	n/a	100%
Rise at Regency II	Henrico County	$68,500,000	$19,502,278	Conventional	General	314	n/a	43%
Semmes Flats	Richmond City	$47,790,000	$3,205,072	Tax Credit	General	246	n/a	4%
Swansboro Place	Richmond City	$14,465,000	$7,885,054	Tax Credit	General	90	n/a	61%
Telestar Court	Fairfax County	$25,000,000	$14,719,047	Tax Credit	General	80	n/a	52%
Unity Place at Kindred	Norfolk City	$33,600,000	$31,020,057	Mixed Income Only	General	140	n/a	100%
Vanguard Landing	Virginia Beach City	$31,850,000	$28,498,162	MUMI (2)	Supportive Hsg	128	n/a	100%
View at Belle Isle	Richmond City	$4,000,000	$3,015,920	Tax Credit	General	116	n/a	59%
ZeroPak I	Winchester City	$29,000,000	$26,588,276	Tax Credit	General	121	71%	89%
Subtotals		**$1,183,646,000**	**$713,975,961**			**6,363**		

Developments for which loans have been committed and bond proceeds have not been disbursed

Green Park (1203 East Brookland Park Blvd)	Richmond City	$4,270,000	n/a	Tax Credit	General	43	n/a	n/a
1401-1407 Hull Street	Richmond City	$7,970,000	n/a	Tax Credit	General	60	n/a	n/a
1501-1511 Hull Street	Richmond City	$15,445,000	n/a	Tax Credit	General	112	n/a	n/a
37 West Main Street	Pulaski County	$1,390,000	n/a	Conventional	General	10	n/a	n/a
Alexandria GMV 9A	Alexandria City	$9,800,000	n/a	Tax Credit	General	76	n/a	n/a
Autumn Willow 9	Fairfax County	$8,865,000	n/a	Tax Credit	General	75	n/a	n/a
Avonlea Senior Nine	Loudoun County	$6,850,000	n/a	Tax Credit	Elderly	65	n/a	n/a

Bealeton Townhomes	Fauquier County	$38,475,000	n/a	Tax Credit	General	160	n/a	n/a
Bellevue Gardens	Richmond City	$9,335,000	n/a	Tax Credit	General	78	n/a	n/a
Cedar Terrace	Loudoun County	$12,310,000	n/a	Tax Credit	General	52	n/a	n/a
CH3 North Four	Arlington County	$46,195,000	n/a	Tax Credit	General	344	n/a	n/a
CH3 South Nine	Arlington County	$11,120,000	n/a	Tax Credit	General	88	n/a	n/a
Choice Neighorhood V-Downtown	Newport News City	$6,120,000	n/a	MUMI (2)	General	73	n/a	n/a
Claremont School	Pulaski County	$850,000	n/a	Tax Credit	General	50	n/a	n/a
Colbrook 9%	Chesterfield County	$6,041,000	n/a	Tax Credit	General	47	n/a	n/a
Commonwealth Lofts	Loudoun County	$18,730,000	n/a	Tax Credit	General	94	n/a	n/a
Creighton Phase A	Richmond City	$4,800,000	n/a	Tax Credit	General	68	n/a	n/a
Deerfield Apartments	Nottoway County	$1,000,000	n/a	Tax Credit	Elderly	39	n/a	n/a
Fairfax Hall	Waynesboro City	$900,000	n/a	Conventional	Elderly	54	n/a	n/a
Fairview	Wythe County	$1,218,000	n/a	Conventional	General	12	n/a	n/a
Glade View Trace	Chesterfield County	$4,740,000	n/a	Tax Credit	Elderly	50	n/a	n/a
Goodson Hills	Bristol City	$6,350,000	n/a	Tax Credit	General	23	n/a	n/a
Grand Lake	Virginia Beach City	$19,420,000	n/a	Tax Credit	Elderly	172	n/a	n/a
Hillpoint Trace	Suffolk City	$7,522,405	n/a	Tax Credit	General	75	n/a	n/a
Junkin Street	Montgomery County	$500,000	n/a	Conventional	General	17	n/a	n/a
Legacy on Main	Montgomery County	$6,055,000	n/a	Tax Credit	General	56	n/a	n/a
Lightfoot	Culpeper County	$5,669,380	n/a	Tax Credit	General	60	n/a	n/a
Lily Gardens	Staunton City	$3,850,000	n/a	Tax Credit	General	50	n/a	n/a
Lynhaven Ridge	Richmond City	$4,999,000	n/a	Tax Credit	General	50	n/a	n/a
Mainline Phase II	Stafford County	$25,005,000	n/a	Tax Credit	General	120	n/a	n/a
Miller's Rest Apartments III - 4%, LP	Lynchburg City	$8,615,000	n/a	Tax Credit	General	80	n/a	n/a
Miller's Rest Apartments III, LP	Lynchburg City	$5,595,000	n/a	Tax Credit	General	80	n/a	n/a
Overlook Ridge	Augusta County	$3,840,000	n/a	Tax Credit	General	50	n/a	n/a
Peanut Crossing Phase II	Suffolk City	$12,150,000	n/a	Mixed Income Only	General	90	n/a	n/a
Saint Elizabeth	Richmond City	$5,526,000	n/a	Tax Credit	General	56	n/a	n/a
Samuel Madden Homes 4%	Alexandria City	$46,650,000	n/a	Tax Credit	General	132	n/a	n/a
Samuel Madden Homes 9%	Alexandria City	$16,340,000	n/a	Tax Credit	General	75	n/a	n/a
Signals at Occoquan	Prince William County	$23,835,000	n/a	Tax Credit	General	133	n/a	n/a
Sixth Street Phase One	Charlottesville City	$7,110,000	n/a	Tax Credit	General	47	n/a	n/a
Smith Ridge Commons	Roanoke County	$28,330,000	n/a	Tax Credit	General	216	n/a	n/a
South First II	Charlottesville City	$19,200,000	n/a	Tax Credit	General	113	n/a	n/a
The Heights at Brady Square I-9%	Richmond City	$4,480,000	n/a	Tax Credit	General	66	n/a	n/a
The Heights at Brady Square III	Richmond City	$4,265,000	n/a	Tax Credit	General	66	n/a	n/a
Tranquility at the Lakes II	Virginia Beach	$2,400,000	n/a	Tax Credit	General	38	n/a	n/a
Vista 29 - fka Premier Circle PSH	Albemarle County	$1,646,500	n/a	Tax Credit	Supportive Hsg	80	n/a	n/a
Whites Mill Point II	Washington County	$505,000	n/a	Tax Credit	General	32	n/a	n/a
Witter Place	Alexandria City	$12,135,000	n/a	Tax Credit	General	94	n/a	n/a
Subtotals		**$498,417,285**				**3,721**		
Grand Totals for All Developments		**$7,414,276,217**	**$5,804,059,082**			**68,608**		

Footnotes

(1) Principal amount was established at final closing or, if final closing has not yet been held, the amount shown represents

(2) Closed under the Authority's program for Economically Mixed developments, some of which have non-housing portions.
the principal amount in the Authority's mortgage loan commitment.

(3) In addition to the Mortgage Loan amount shown here, additional mortgage loan amounts are held in the Authority's General Fund and not pledged
MUMI stands for Mixed Use Mixed Income and is the short name for this program.
Such amounts are treated as a participation in the aggregate mortgage loan on the development.

(4) The Authority has acquired the Development by foreclosure or deed in lieu of foreclosure.
to the owners of Rental Housing Bonds.

(5) Occupancy data for Developments marked n/a is not available. The Authority does not typically collect occupancy data on Developments
containing a small number of units or Developments financed by construction loans although the data will be provided if available.

(6) In addition to the principal amount shown here, additional principal amounts secure or are expected to secure
The number of units is listed here or elsewhere in this Appendix.

(7) Developments listed in this Appendix do not include the Virginia Housing office building.

(8) Developments noted as Tax Credit have been, or are expected to be, awarded federal low income housing tax credits pursuant to § 42 of the Code.
Rental Housing Bonds.

(9) Current mortgage loan amount represents the amortized balance for permanent loans or committed amount disbursed for construction loans.

(10) Forborne amounts being repaid.

INFORMATION CONCERNING FEDERAL MULTI-FAMILY HOUSING PROGRAMS AND REQUIREMENTS

The following descriptions do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the statutes, regulations, agreements and contracts referred to herein, as from time to time amended. Neither the Act nor the bond resolutions obligate the Authority to qualify any development for federal housing mortgage insurance or housing assistance.

FHA Insurance Program

Under the terms of the Section 221(d)(4) insurance program authorized by the National Housing Act, a mortgagee is entitled to claim insurance benefits upon the failure of the mortgagor to make a mortgage payment (or to perform any other obligation under the mortgage if, because of such failure, the mortgagee accelerates the debt), if such default continues for 30 days. To perfect its claim for payment, the mortgagee is required either to assign the mortgage to FHA, acting through the Federal Housing Commissioner, or to tender to it good and marketable title to the property covered by the insured mortgage loan. Upon transfer of the property to FHA, mortgage insurance benefits will be paid in cash unless the mortgagee files a written request for payment in FHA debentures.

The insurance benefits paid by FHA will be an amount equal to the aggregate of (i) the unpaid principal amount of the mortgage, (ii) the amount of all payments made by the mortgagee (a) for taxes, special assessments and water rates which are liens prior to the mortgage, (b) for insurance on the property, and (c) for any mortgage insurance premiums paid after default, (iii) an allowance for reasonable payments made by the mortgagee with the approval of FHA for the completion and preservation of the property, and (iv) an amount equivalent to FHA debenture interest covering the period of time from the date of default on the mortgage loan to the date the insurance settlement occurs. From the aggregate of the foregoing amounts is deducted the total of (i) any amount received by the mortgagee on account of the mortgage after the date of default, (ii) any net income received by the mortgagee from the property covered by the mortgage after the date of default, and (iii) the sum of (a) any cash held by the mortgagee for the account of the mortgagor and which shall not have been applied in reduction of the principal of the mortgage indebtedness, (b) all funds held by the mortgagee for the account of the mortgagor received pursuant to any other agreement, and (c) the amount of any undrawn balance under a letter of credit used in lieu of a cash deposit. If the mortgage is assigned to FHA in lieu of a conveyance of the property there shall also be deducted an amount equivalent to 1% of the outstanding mortgage balance, except that all or part of the 1% may be waived by FHA if, at its request and in lieu of foreclosure, the mortgage is assigned to FHA.

FHA Risk-Sharing Insurance Program

Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "Risk-Sharing Act"), authorizes the Secretary of HUD to enter into risk-sharing agreements with qualified state or local housing finance agencies ("HFAs") to enable those HFAs to underwrite and process loans for which HUD will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the "Regulations") pursuant to the Risk-Sharing Act. The Authority has been designated a "qualified HFA" under the Risk-Sharing Act and entered into a risk-sharing agreement (the "Risk-Sharing Agreement") with HUD on March 23, 2015.

Underwriting and Servicing

Under the program established by the Risk-Sharing Act (the "Risk-Sharing Program"), a participating HFA retains underwriting, loan management and property disposition functions and responsibility for defaulted loans. Following default under a mortgage loan subject to a HUD contract of mortgage insurance under the Risk-Sharing Program, the participating HFA may obtain from HUD an initial claim payment of 100% of the loan's unpaid principal balance and accrued interest, subject to certain adjustments, as further described below. After a period during which the HFA may work toward curing the default, foreclosure or resale of the related project, losses (if any) are to be calculated and apportioned between the HFA and HUD according to a specified risk-sharing percentage for the mortgage loan (determined at the time of its endorsement for insurance), and the amount of the HFA's reimbursement obligation to HUD is determined. During the period preceding such final loss settlement, the HFA is to pay HUD interest on the amount of the initial claim payment under a debenture required to be issued to HUD at the time of initial claim payment. In the case of the Authority, such debenture interest and the Authority's reimbursement and other payment obligations to HUD under the Risk-Sharing Agreement will not be payable from the assets pledged under the Rental Housing Bonds Resolution, but will be a general obligation of the Authority.

FHA Mortgage Insurance Under the Risk-Sharing Program

In the case of a mortgage loan to be insured during construction, under the Regulations, HUD evidences its insurance by an initial endorsement of the applicable mortgage note at or prior to the first advance of moneys under the insured mortgage loan to the mortgagor. Such advance ordinarily occurs prior to the commencement of construction although construction may begin using a mortgagor's own funds with the Authority's consent prior to initial endorsement. All advances for construction items will be made as authorized by the Authority pursuant to the requirements of HUD. The Regulations also provide for insurance of a mortgage loan following completion of the project without insurance of construction advances. In either case, upon completion of the project, presentation of a closing docket and certifications required by the Regulations, HUD issues a final endorsement of the mortgage note

for the costs related to the project which have been certified by an independent certified public accountant and have been approved by the Authority. Although the Authority has been given authority to approve cost certifications by a mortgagor, such certifications are contestable by HUD, up to and during final endorsement of the applicable mortgage.

The Regulations define an event of default under a HUD-insured mortgage as (i) a failure to make any payment due under the mortgage or (ii) a failure to perform any other mortgage covenant (which include covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the Authority, because of such failure, has accelerated the debt. The Authority is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30 day grace period, the Authority is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or the Authority has filed an application for an initial claim payment.

Unless a written extension is granted by HUD, the Authority must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of the Authority, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where the Authority certifies that the mortgagor is in the process of transacting a bond refunding, refinancing the mortgage, or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days.

The initial claim amount is 100% of the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment (subject to curtailment as described below). HUD must make all claim payments in cash. The initial claim payment from HUD is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. The Regulations provide that proceeds of the initial claim payment must be used to retire any bonds or any other financing mechanisms securing the mortgage within 30 calendar days of the initial claim payment, and that any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement.

In determining the mortgage note interest component of the initial claim amount, if the Authority fails to meet any of the requirements of the Regulations concerning claim procedures within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late.

FHA insurance under the Risk-Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (i) the corresponding mortgage is paid in full; (ii) the Authority acquires the applicable project and notifies the FHA Commissioner that it will not file an insurance claim; (iii) a party other than the Authority acquires the applicable project at a foreclosure sale; (iv) the Authority notifies the FHA Commissioner of a voluntary termination; (v) the Authority or its successors commit fraud or make a material misrepresentation to the FHA Commissioner with respect to certain information; (vi) the receipt by the FHA Commissioner of an application for final claims settlement by the Authority; or (vii) the Authority acquires the applicable development and fails to make an initial claim.

Federal Financing Bank Financing

In 2016, the Authority entered into (i) an agreement with HUD entitled "Risk-Sharing Agreement (Federal Financing Bank Financing)" which is supplemental to the Risk Sharing Agreement, (ii) an agreement with the Federal Financing Bank, a body corporate and instrumentality of the United States of America (the "FFB") entitled "Master Purchase and Sale Agreement," and (iii) an agreement with both the FFB and U.S. Bank Trust Company, National Association, Minneapolis, Minnesota, (the "Custodian") entitled "Master Escrow and Custody Agreement." As a result of the foregoing agreements, the Authority had the option of FFB financing for multi-family mortgage loans that are insured under the Risk-Sharing Program. The Authority has financed 8 mortgage loans with such FFB financing. For each multi-family mortgage loan financed by the FFB, the Authority sold to the FFB a certificate representing a participation interest in such multi-family mortgage loan consisting of all principal payments due thereon and all interest payments due thereon but only at a pass-through interest rate to FFB which is less than the mortgage loan interest rate. Under these agreements, the Authority retains responsibility for originating, closing and servicing the multi-family mortgage loans underlying the certificates sold to the FFB. As servicer, the Authority deducts a servicing fee and the mortgage insurance premium before remitting the balance of each mortgage payment to the Custodian. The Custodian funds any required accounts and pays the amounts due the FFB and the Custodian, and then pays any amount remaining to the Authority.

Section 8 Programs

The Housing and Community Development Act of 1974 amended Section 8 of the United States Housing Act of 1937 so as to establish a federal assistance program which was a source of federal housing assistance for developments of the type which the Authority financed under its multi-family program.

HUD issued special regulations for HFAs such as the Authority. With respect to developments to be permanently financed by the Authority without federal mortgage insurance, the Section 8 regulations gave the Authority a high degree of program responsibility – e.g., selection of the developer (either by advertising or negotiation), approval of design and construction quality, site selection, economic feasibility and marketability. The description of the Section 8 program below in general relates to the long-

term subsidy contracts originally entered into in connection with these developments. See "Renewal Contracts" below for a discussion of certain differences applicable to more recent Section 8 subsidy contracts.

Subsidy Contracts

Under Section 8, three principal contracts were executed. First, the HFA entered into an "Agreement to Enter Into Housing Assistance Payments Contract" with the mortgagor of the development to be constructed. This agreement ("Agreement to Enter") was approved by HUD and, subject to certain conditions, committed the mortgagor and the HFA upon completion and acceptance of the development to enter into a Housing Assistance Payments Contract ("Payments Contract") providing for the payment of the subsidy to or for the account of the mortgagor by the HFA.

At the same time that the Agreement to Enter was executed, the HFA and HUD executed an Annual Contributions Contract ("ACC"), which provides for the payment to the HFA by HUD of the subsidy to be paid by the HFA to the owner of the development pursuant to the terms of the Payments Contract. The subsidy contracts for mortgage loans other than FHA insured mortgage loans generally have original terms of 30 or 40 years. The subsidy contracts for FHA mortgage loans have original terms of 15, 20 or 30 years. See "Federal Programs and Requirements" in "The Multi-Family Program" for certain information regarding the expiration of such subsidy contracts. See also "Renewal Contracts" below.

Initial Amount of Subsidy

Section 8 subsidies received by the HFA are based upon the "Contract Rent" applicable to specified dwelling units. The Contract Rent was initially based on the "fair market rent" for the dwelling unit, which is determined by HUD periodically with respect to each locality. Contract Rent was permitted to be initially established at an amount up to 120% of the fair market rent. Contract Rent over 100% of the fair market rent required HUD approval upon a showing of special circumstances.

The amount of the subsidy actually payable to the Authority for the account of the mortgagor is the Contract Rent less the payment made to the mortgagor by the tenant. The proportion of the Contract Rent paid by HUD and that paid by tenants will vary from month to month depending upon tenant income. The method of computation of the tenant's payment is determined by HUD regulation and is subject to change. Subject to certain exceptions for the elderly, disabled, and low-income wage earners, each tenant is required to pay a minimum rent of $25 per month.

The maximum amount of money available annually for subsidy payments under an ACC was established at an amount equal to the annual initial Contract Rents for assisted units in the development. If the amount actually disbursed under the ACC in any given year was less than the total available amount, the excess (initially an amount approximately equal to the portion of the contract rents payable by the tenants) was set aside by HUD in an account for the particular development so as to be available for future years to fund increases in contract rents for the development to the extent they exceed the amount otherwise available under the ACC (see "Funding of Increase in Subsidy" below).

Tenants Eligible for Housing Assistance Payments

A tenant eligible for housing assistance payments ("Eligible Tenant") is a family, including an elderly, disabled or displaced person, whose income, as determined in accordance with the Section 8 regulations, does not exceed income limits promulgated by HUD for the area and who meets certain other conditions specified in the regulations. The Section 8 income limit is, in general, 80% of median income for the area, as determined by HUD. However, under the Housing and Community Development Amendments of 1981, no more than 25% of the Section 8 units which as of October 1, 1981, were subject to Payments Contracts and available for occupancy may be occupied by persons or families with incomes above 50% of the median. In addition, no more than 5% of the Section 8 units which were subject to a Payments Contract or were available for occupancy subsequent to October 1, 1981, may be leased to persons or families with incomes in excess of 50% of the median. The criteria for tenant eligibility are determined by HUD regulations and are subject to change.

Limitation on Subsidy – Vacancies

Generally, the Section 8 subsidy is payable in respect to the dwelling unit only when it is occupied by an Eligible Tenant. However, the law and the regulations provide for payment of the subsidy under certain limited circumstances when the dwelling unit is not occupied. In such situations, 80% of the Contract Rent is payable during a period of not more than 60 days, subject to compliance by the mortgagor with certain conditions relating primarily to a diligent effort to rent the subsidized unit.

The subsidy payments for vacant units can, under certain conditions, continue for an additional 12 months after the 60 day vacancy period described above. The amount of these subsidy payments is equal to that portion of the vacant units' Contract Rents allocable to the debt service on the permanent financing. However, the development must be operating at a deficit, and the amount of the payments cannot exceed that portion of the deficit attributable to the vacant units. HUD may deny the application for these additional subsidy payments for vacant units if it determines that there is not a reasonable prospect that the development can achieve financial soundness within a reasonable time. Furthermore, a mortgagor is entitled to these payments only if it has taken and continues to take all feasible action to rent the units, has not rejected any eligible applicant without good cause, and has provided the Authority with the requisite notification of vacancy. Finally, the vacant units must provide safe, decent and sanitary housing.

Adjustments of Contract Rents

The statute and applicable regulations contain various provisions for review and readjustment of the Contract Rent. Provision is made in the regulations for HUD to determine an Annual Adjustment Factor at least annually and to publish such factors in the Federal Register. HUD currently determines the Annual Adjustment Factor based on a formula using rent and utility data from the Consumer Price Index. The Annual Adjustment Factor is applied to the then existing Contract Rents. Current law requires that the Annual Adjustment Factor be reduced by one percentage point for those units in which there was no tenant turnover during the previous year and that, in establishing Annual Adjustment Factors, HUD take into account the fact that debt service is a fixed expense.

Upon request from the owner on each anniversary date of the Payments Contract, Contract Rents will be adjusted in accordance with the Annual Adjustment Factor. In addition, provision is made in the regulations for special additional adjustments in the Contract Rents to reflect increases in actual and necessary expenses of owning and maintaining the subsidized units which have resulted from substantial general increases in real property taxes, utility rates or similar costs, to the extent that such general increases are not adequately compensated for by the Annual Adjustments. Current law prohibits any reduction in Contract Rents in effect on or after April 15, 1987 unless the Section 8 assisted development has been refinanced in a manner that reduces the debt payments of the owner of such development.

The Section 8 law and regulations require that rent adjustments shall not result in material differences between the Contract Rents and rents for comparable unassisted units, except to the extent that the differences existed at the time of execution of the Payments Contract (the difference between Contract Rents and rents for comparable units at the time of execution of the Payments Contract being referred to herein as the "Initial Difference"). Current law requires that Annual Adjustment Factor rent increases be denied to those Section 8 developments with rents above the applicable fair market rents established by HUD, unless the mortgagor demonstrates that the adjusted rent would not exceed rents for comparable unassisted units plus the Initial Difference.

Proposals have been discussed (and, in some instances, legislation has been introduced or statements made that legislation will be introduced) by HUD and by members of Congress which, if enacted into law, promulgated as HUD regulations or adopted as official enforceable policies of HUD, would affect many HUD programs, including the Section 8 Program. One such proposal made by HUD would have deleted the above described provision in current law that prohibits any reduction in Contract Rents in effect on or after April 15, 1987. Among the effects of such proposals could be a reduction in the Contract Rents or in the Annual Adjustments thereof for Section 8 assisted projects. Any such reduction in Contract Rents or Annual Adjustments could adversely affect the financial feasibility of certain of the Section 8 developments and the adequacy of rental income to pay principal and interest on the mortgage loans financing such developments. There can be no assurance that these proposals or legislation will or will not be enacted into law, promulgated as HUD regulations or adopted as official enforceable policies of HUD. At this time, the Authority cannot predict the terms of any proposals which may be enacted or implemented or the effect that any such proposals, if enacted or implemented, would have on the ability of the Section 8 developments to make timely payments of principal and interest on the mortgage loans and, in turn, on the ability of the Authority to make timely payments of interest and principal on the Authority's bonds. The enactment or implementation of such proposals may adversely affect the rating on the bonds financing the affected developments and the market price of such bonds. The Authority has not covenanted, and is not obligated under the bond resolutions pursuant to which the Authority has issued bonds to finance multi-family programs to take any action to maintain the ratings or market price of such bonds or, except as set forth in the Continuing Disclosure Agreement applicable to such bonds, to notify bond owners of any withdrawal or revision of the ratings of such bonds or any actions which would affect the ratings or market price of such bonds.

See "Renewal Contracts" below for information concerning certain past cuts to federal appropriations for Renewal Contracts (defined below).

Funding of Increases in Subsidy

Funds for the payment of increased subsidies resulting from the adjustment in the Contract Rents described above are obtained in two ways. Provision is made in the law for the payment by HUD into a special reserve account held by HUD in respect of each subsidized development of the amount by which the Contract Rents in effect from time to time exceed the actual subsidy paid by HUD (this amount is initially the approximate equivalent of the amount of rent paid by the tenants). The amount of increases in the subsidy payable by reason of increases in the Contract Rent are drawn from this fund. The regulations provide that when the HUD-approved estimate of required annual contributions exceeds the maximum ACC commitment then in effect and would cause the amount in such fund to be less than 40% of the maximum ACC commitment, HUD shall take such additional steps as authorized by subdivision (c)(6) (currently designated subdivision (c)(5)) of Section 8 (quoted below) to obtain funds to bring the amount in the account to the 40% level. Such subdivision of Section 8 provides:

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

It has been the practice of HUD that, when the amount in any such fund has fallen below the 40% level, HUD has not immediately replenished such fund to the 40% level but has obtained budget authority from the Congress to meet its obligation under the Payments Contract.

Payment of Subsidy

The regulations provide that in the event of foreclosure, assignment or sale to the HFA in lieu of foreclosure, or in the event of an assignment or sale agreed to by the HFA and approved by HUD (which approval shall not be unreasonably delayed or withheld), subsidy payments will continue in accordance with the Payments Contract.

Payment of the subsidy is paid into a special account maintained by the Authority for the receipt of Section 8 payments. The Authority disburses such subsidy payments by applying a portion thereof to the amount of the current payment due from the mortgagor on the mortgage loan (including the required replacement reserve and tax and insurance escrow payments), with the balance, if any, being paid directly to the mortgagor. If the multi-family development is then financed by Rental Housing Bonds, such payment on the mortgage is deposited into the revenue fund under the Rental Housing Bonds Resolution.

Compliance with Subsidy Contracts

The Agreement to Enter, the ACC and the Payments Contract all contain numerous agreements on the part of the Authority and the mortgagor including maintenance of the development as decent, safe and sanitary housing and compliance with a number of requirements typical of federal contracts (such as those relating to nondiscrimination, equal employment opportunity, relocation, pollution control and labor standards) as to which noncompliance by either the Authority or the mortgagor, or both, might endanger the payment of the federal subsidy. Reference is made to the complete text of these agreements which are available for inspection at the offices of the Authority. Default by a mortgagor in the performance of its obligations under the Payments Contract is an event of default under the terms of its mortgage loan from the Authority which would permit foreclosure by the Authority.

From time to time HUD may issue interpretive or policy notices providing guidance on compliance with the regulations and Payments Contracts which the Authority and mortgagor also must comply with. These interpretations or policies may have the effect of increasing the Authority's risk on the mortgage loans. For example, on August 3, 2012, HUD issued Notice H-2012-14 which requires the use of funds in residual receipts accounts (accounts that hold excess rental and other income of the developments after payment of operating expenses, debt service, and permitted distributions to the mortgagors) for certain developments, to the extent such funds exceed a specified amount, to offset payments of subsidy otherwise payable under those Payments Contracts. At this time, the Authority has no outstanding financing on developments affected by Notice H-2012-14, but when it did, the Authority's risk was affected because the funds so used were security for, and would have otherwise been available for debt service on, the Authority's mortgage loans financing those developments. (See "Federal Programs and Requirements" in "The Multi-Family Program.")

Administration of Subsidy for Certain FHA Mortgage Loans

On some of the FHA mortgage loans, the Authority will not administer the Section 8 subsidy in the manner described above. Any failure to make full and timely payment on such mortgage loans shall, subject to and in accordance with the conditions described above under "FHA Insurance Program," provide a basis for a claim for payment of FHA mortgage insurance benefits.

Renewal Contracts

In certain cases, upon expiration of the long-term Payments Contract originally entered into with respect to a development, the mortgagor of the development and a Section 8 contract administrator designated by HUD has entered into, or may enter into, a new Payments Contract for an additional term, pursuant to the Multifamily Assisted Housing Reform and Affordability Act of 1997, Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1998, Pub. L 105-65, as amended (a "Renewal Contract"). (See "Federal Programs and Requirements" in "The Multi-Family Program" for certain information regarding the expiration of the original Payments Contracts and also for a discussion of how the Authority underwrites new mortgage loans for existing developments with Renewal Contracts or expiring original Payments Contracts to the lesser of the Section 8 contract rents or the estimated market rents.)

Although Renewal Contracts may have contract terms that are relatively long, upon initial execution of Renewal Contracts and each year thereafter Congress has appropriated, and HUD has obligated, generally only an amount estimated to be sufficient to fund one year (or less) of the contract term, and HUD's obligation with respect to the remainder of the term is subject to Congressional appropriations. Absent such appropriations, there is no assurance that funds will be available under these contracts. The provisions described above under "Funding of Increases in Subsidy" do not apply to Renewal Contracts. The appropriations for Renewal Contracts were affected adversely during the 2013 federal fiscal year by the federal spending cuts known as the sequester and no assurance can be given as to the levels of annual appropriations that will be available for funding Renewal Contracts in the future.

Renewal Contracts do not provide for adjustment of contract rents based on Annual Adjustments as described under "Adjustments of Contract Rents" above. Renewal Contracts with terms longer than one year provide for annual adjustment of contract rents based on an Operating Cost Adjustment Factor (or with respect to certain Renewal Contracts, if requested by the owner and agreed to by HUD or its designated contract administrator, based on the development's budget). The Operating Cost Adjustment Factor is intended to reflect increases in the cost of operating comparable rental properties, which may or may not correspond to

circumstances affecting a particular development. No assurance can be given that HUD or its designated contract administrator will approve a request for a budget-based adjustment of contract rents.

Certain Renewal Contracts with terms longer than five years provide that HUD's designated contract administrator shall, at the expiration of each five-year portion of the contract term, adjust contract rents so as to equal comparable market rents determined on the basis of a market study prepared in accordance with HUD requirements. Certain of such Renewal Contracts also provide that HUD may, at its discretion, require or permit its designated contract administrator to make such market comparability adjustments one additional time within each such five-year period. Such market comparability adjustments may raise or lower contract rents. Certain Renewal Contracts for developments that received initial contract rents calculated on the basis of an operating budget provide that HUD may adjust contract rents downward, subject to certain limits calculated on the basis of market rents, in the event that the development during the term of the contract receives additional government assistance that was not anticipated when initial contract rents were determined. The statutory provision prohibiting adjustments that would lower contract rents, explained above, does not apply to Renewal Contracts.

The Authority does not act as HUD's designated contract administrator for Renewal Contracts and, with respect to such contracts, does not receive and disburse subsidy payments as described in the second paragraph under "Payment of Subsidy" above. Instead, HUD's designated contract administrator disburses the subsidy payment to the mortgagor, who is responsible for remitting loan payments and escrow deposits.

Low-Income Housing Tax Credit Program

The Authority has financed and expects to continue to finance developments which are to receive low-income housing tax credits. The Code provides for credits to owners of residential rental projects containing low income units, provided certain occupancy and use of loan proceeds requirements are met. The credits are taken annually for a term of ten years, beginning with the tax year in which the project is placed in service or, at the owner's election, the next tax year.

Twenty percent or more of the units in an eligible project must be occupied by tenants whose incomes are 50% or less of the area median gross income, as adjusted for family size, or 40% or more of the units in the project must be occupied by tenants whose incomes are (i) 60% or less of such area median gross income, as so adjusted or (ii) at or below the respective percentages of such area median income, as so adjusted, that the owner has designated for the tenants' units, provided such percentages (which may range from 20% to 80% in 10% increments) average to 60% or less. Each building in the project must comply with these income restrictions within 12 months of the date placed in service. The owner may designate more than 20% or 40%, as the case may be, of the units in the project as low-income units.

The gross rent (including an allowance for any utilities paid directly by the tenant) charged to a tenant in a low income unit may not exceed 30% of the maximum qualifying income for such unit.

In the event that the income of a family occupying a low income unit exceeds the maximum qualifying income (or other applicable threshold as provided in the Code) by more than 40% or in the event that a low income unit becomes vacant, such low income unit shall continue to qualify if no other vacant units of comparable or smaller size are rented to non-qualifying families.

The project must comply with the income and rent limitations for a period of 15 years in the case of credits allocated prior to or during 1989, or 30 years, in the case of credits allocated after 1989. Failure to comply results in a recapture of a portion of the credits.

Section 236 Interest Reduction Payments Program and Section 236(f)(2) Rental Assistance Program

Pursuant to Section 236 of the United States Housing Act of 1937, as amended, HUD, the Authority and the mortgagor enter into an agreement for interest reduction payments. HUD makes monthly payments with respect to the subsidized dwelling units in such development directly to the Authority on behalf of the mortgagor. The amount of the monthly HUD payment for any such development will equal the difference between (i) the monthly payment for principal, if any, interest and the Authority's fees and charges which the mortgagor is obligated to pay and (ii) the monthly payment for principal, if any, and interest which the mortgagor would be required to pay if the mortgage loan were to bear interest at the rate of 1% per annum. The mortgagor makes monthly payments to the Authority for the balance.

The agreements contain several covenants of the mortgagor, including among other things that (i) the mortgagor has established, "basic rents" computed assuming a mortgage loan interest rate of 1% per annum and "fair market rents" (unsubsidized) for each subsidized dwelling unit, (ii) the rent for each subsidized dwelling unit, including all utilities except telephone, will be equal to 30% of the tenant's adjusted income or the basic rent, whichever is greater, up to a maximum of the fair market rent, (iii) the mortgagor will limit admission to subsidized dwelling units to families whose incomes do not exceed the lower of the income limits prescribed by HUD or the Authority, and (iv) the mortgagor shall remit to HUD the amount ("Excess Income Payment") by which the total rents collected on all subsidized dwelling units exceeds the sum of the basic rents for all such units. Under the Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act, Title V of Pub. L. 106-74, enacted October 20, 1999 (the "1999 Act"), the rent chargeable to the tenant is also limited by the rent for a comparable unassisted unit in the market area. The Balanced Budget Downpayment Act, II, Pub. L. 104-134, enacted April 26, 1996, provides that Excess Income Payments must be remitted to HUD on a unit-by-unit basis, thus precluding the ability of mortgagors to use such Excess Income Payments to offset

collection losses and potentially reducing the income available to the projects. The 1999 Act provides that mortgagors may retain some or all of such Excess Income Payments if authorized by HUD. The Authority covenants in the agreements that it will not agree to the forbearance or deferment of any payment due under the mortgage loan without HUD's approval. HUD may, at its discretion, terminate payments under the agreement upon default by the mortgagor or the Authority under any provision of the agreement. If payments are terminated by HUD, such payments may be reinstated by HUD on such conditions as it may prescribe. The rights and obligations under the agreement are not assignable by the Authority or by the Mortgagor without the approval of HUD.

Certain developments which are subject to Section 236 interest reduction payments are also subject to rental assistance payments under Section 236(f)(2) of the National Housing Act, as amended. Payments under this program are paid by HUD directly to the mortgagor on behalf of eligible tenants occupying assisted dwelling units. To be eligible for rental assistance payments, a tenant must have an income not in excess of 50% of the median income for the area, as determined by HUD. The payments for each assisted unit are generally in an amount equal to the difference between the "basic rent" approved by HUD for the unit and 30% of the eligible tenant's adjusted income (as defined by HUD). Such payments to the mortgagor in effect represent rental income and do not reduce or otherwise affect the amounts the mortgagor must pay to the Authority under the mortgage loan.

The maximum amount of rental assistance payments for any Section 236 development is originally established by HUD and set forth in the subsidy agreement between HUD and the Authority. In order to provide sufficient rental income to pay debt service and expenses of the development, an increase in this maximum amount may become necessary if rents are increased or if the amount of rent payable by the tenants decreases due to an overall reduction in the tenants' incomes. HUD will increase the maximum amount of rental assistance payments by an amount equal to 100% of the needed increase.

The 1999 Act authorized a program (referred to as the Section 236 "decoupling" program) pursuant to which mortgagors of developments subject to Section 236 interest reduction payments with FHA insured mortgage loans may refinance such loans, if the loans are otherwise eligible for prepayment, with new mortgage loans (such as Authority mortgage loans) while retaining the interest reduction payments. In order to participate in the decoupling program, the mortgagor must agree to enforce the income and rent restrictions applicable to the development for a period extending five years beyond the term of assistance under the new agreement for interest reduction payments.

See "Federal Programs and Requirements" in "The Multi-Family Program" for certain information regarding the expiration of developments' agreements for interest reduction payments.

Rental Assistance Demonstration

HUD's Rental Assistance Demonstration ("RAD") program is described by HUD as an opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through enabling access by public housing agencies and owners to private debt and equity to address immediate and long-term capital needs. The RAD program allows projects currently funded under HUD's public housing program, rent supplement program, rental assistance payment program, or mod rehab program to convert their assistance to long-term, project-based Section 8 rental assistance contracts, either project based vouchers or project-based rental assistance. Under the RAD program, HUD requires certain restrictions be imposed upon the developments which cannot be subordinated to any lien securing financing the Authority may provide to such developments. All of the subsidies provided under the RAD program will be subject to annual appropriations by the federal government.

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APPENDIX G

DESCRIPTION AND PROCEDURES OF DTC

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 the Authority takes no responsibility for the accuracy thereof. The term "Offered Bonds" as and where used in this appendix shall be deemed to be the equivalent of the term "Offered Certificates" when this appendix is attached to an Offering Circular.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Offered Bonds certificate will be issued, reflecting each maturity of each series of the Offered Bonds and the aggregate principal amount of each such maturity, and will be 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 securities that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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 and 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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 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 Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds of a series and a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Offered Bonds of the series and same maturity to be redeemed. However, a different procedure for partial redemptions may have been established for some or all of the Offered Bonds. See "Selection of Bonds for Redemption" in "Description of the Offered Bonds."

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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, including such payments upon redemption, 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 payable date in

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

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

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

SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE AGREEMENT

Certain provisions of the Continuing Disclosure Agreement, as amended, between the Authority and the Trustee (the "Continuing Disclosure Agreement") applicable to the Offered Bonds are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Continuing Disclosure Agreement. This summary does not apply to Subject Bonds issued prior to February 27, 2019.

The Continuing Disclosure Agreement between the Authority and the Trustee was executed and delivered for the benefit of the Holders and Beneficial Owners of the Subject Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5). The Offered Bonds are to be Subject Bonds.

Certain Definitions

Defined terms used in the Continuing Disclosure Agreement and not otherwise defined therein have the meanings set forth in the Resolution.

"Annual Financial Information" means the information to be provided by the Authority described under the caption "Content of Annual Financial Information."

"Beneficial Owner" means a beneficial owner of Subject Bonds as determined pursuant to the Rule.

"Bonds" means, at any time, all of the Authority's then Outstanding Rental Housing Bonds, collectively.

"Financial Obligations" (i) means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means that period established by the Authority with respect to which its, as applicable, Audited Financial Statements or Unaudited Financial Statements are prepared. As of the date of the Continuing Disclosure Agreement, the Authority's Fiscal Year begins on July 1 and ends on June 30 of the next calendar year.

"Holders" means the Owners of the Subject Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Obligated Person" means any person, including the Authority, who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on any Subject Bonds to be sold in an offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The term "Obligated Person" shall not include the mortgagor of any Mortgage Loan.

"Participating Underwriter" means the original underwriters of the applicable Subject Bonds required to comply with the Rule in connection with the offering of such Subject Bonds.

"Rule" means the applicable provisions of Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended, as in effect on the date of the Continuing Disclosure Agreement, including any official interpretation thereof.

"SEC" means the United States Securities and Exchange Commission.

"Subject Bonds" means those Bonds with respect to which the terms of the Continuing Disclosure Agreement are expressly incorporated into the Authority documents authorizing the issuance of such Bonds.

Provision of Annual Financial Information

The Authority will, not later than 180 days after the end of the Authority's Fiscal Year, provide to the MSRB the Annual Financial Information.

The Continuing Disclosure Agreement requires the Authority to provide, in a timely manner, notice to the MSRB of any failure by the Authority to provide Annual Financial Information to the MSRB on or before the date described in the first paragraph under this heading and also of any change in the Authority's fiscal year.

Content of Annual Financial Information

The Authority's Annual Financial Information shall contain or include by reference the following:

(a) the audited financial statements, if available, or unaudited financial statements of the Authority for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles applied on a consistent basis; provided, however that the Authority may from time to time, in order to comply with federal or state legal requirements, modify the basis upon which its financial statements are prepared;

(b) the amount of General Fund assets made or expected to be made available to originate mortgage loans with yields which are, at the time such loans are originated, substantially less than the yields of U.S. government or agency-securities of similar maturity;

(c) the amount outstanding under the Authority's $38 million (original amount) line of credit to the Commonwealth's Virginia Housing Partnership Revolving Fund, if such line of credit is in effect during the applicable Fiscal Year;

(d) delinquency status of Mortgage Loans and mortgage loans originated under the Authority's Multi-Family Housing Bond, Multi-Family Mortgage Bond and Multi-Family Mortgage Purchase Bond programs;

(e) the following information regarding each Development which is financed by Outstanding Bonds or for which the Authority has an outstanding Mortgage Loan commitment:

(1) Name of the Development;

(2) City or county in which the Development is located;

(3) Original principal amount of Mortgage Loan or outstanding commitment;

(4) Identification of any federal subsidy or mortgage insurance applicable to the Development;

(5) Type of occupancy; and

(6) Percentage of units completed or occupied, as applicable;

(f) outstanding principal balance of single family mortgage loans and delinquency and foreclosure status of mortgage loans originated under the Authority's bond financed single family mortgage loan program;

(g) information on insurance or guaranty providers for the Authority's bond financed single family mortgage loan program;

(h) information on the portions of the Authority's bond financed single family mortgage loan program serviced by the Authority and by its largest external servicers;

(i) the following financial information about the Authority excluding the effects of GASB 31 adjustments (if applicable)

Excess of revenues over expenses

Fund balances at end of period

Fund balance of the General Fund at end of period;

(j) principal amount of the Authority's bonds (if any) which are multi-modal and subject to periodic remarketings; and

(k) amount of any credit agreements (if any) under which the Authority may borrow funds, and the outstanding principal amount that has been borrowed by the Authority.

If the Authority's Annual Financial Information does not include its audited financial statements, when and if such audited financial statements become available the Authority shall provide them to the MSRB.

Any of the items (b) through (k) above will not be provided separately if included in the Authority's financial statements. In addition, any or all of the items listed above may be included by specific reference to documents, including official statements of debt issues of the Authority or related public entities, previously provided either to (i) the MSRB, or (ii) filed with the SEC (if such document is an official statement, it must also be available from the MSRB). Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

In addition to items (a) through (k) above, the Authority's Annual Financial Information shall include information regarding amendments to the Continuing Disclosure Agreement as described below in the last two paragraphs under the heading "Amendment of Continuing Disclosure Agreement."

Reporting of Significant Events

The Authority will give notice, in a timely manner not in excess of ten business days after the occurrence of an event, to the MSRB of the occurrence of any of the following events with respect to the Subject Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 (if applicable) of any Subject Bonds, or other material events affecting the tax status of any Subject Bonds;

(vii) modifications to rights of Holders, if material;

(viii) Subject Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Subject Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Obligated Person;

(xiii) 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, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Subject Bond holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the 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 government 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 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.

Notwithstanding the foregoing, unless the Rule requires otherwise, notice of the events described in items (viii) and (ix) need not be given any earlier than, if applicable, the date notice is required to be given to Holders of applicable Subject Bonds pursuant to the Bond Resolution or the Authority's documents authorizing the issuance of such Subject Bonds.

The Continuing Disclosure Agreement requires the Trustee to promptly give notice to the Authority whenever, in the course of performing its duties as Trustee under the Bond Resolution, the Trustee identifies an event listed above; provided, however, that the failure of the Trustee so to advise the Authority shall not constitute a breach by the Trustee of any of its duties and responsibilities under the Continuing Disclosure Agreement and the Bond Resolution.

Amendment of Continuing Disclosure Agreement

The Continuing Disclosure Agreement may be amended by written agreement of the Authority and the Trustee, and any provision of the Continuing Disclosure Agreement may be waived without the consent of the Holders or Beneficial Owners (except to the extent required as described in clause 4 (ii) below), under the following conditions: (1) the Authority determines that such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Authority or the type of business conducted thereby or is made to facilitate compliance with the Rule and any future amendments to the Rule, (2) the Continuing Disclosure Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of each primary offering of Subject Bonds affected by the amendment or waiver after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Authority shall have delivered to the Trustee an opinion of counsel expert in federal securities laws ("Securities Counsel"), addressed to the Authority and the Trustee, to the same effect, as set forth in clause (2) above, (4) either (i) a party unaffiliated with the Authority (such as the Trustee or bond counsel) acceptable to the Authority and the Trustee has determined that the amendment or waiver does not materially impair the interests of the Beneficial Owners, or (ii) the Holders consent to the amendment or waiver of the Continuing Disclosure Agreement pursuant to the same procedures as are required for amendments to the Bond Resolution with consent of Holders; and (5) the Authority shall have delivered copies of such amendment or waiver to the MSRB.

In addition to the foregoing, the Authority and the Trustee may amend the Continuing Disclosure Agreement, and any provision of the Continuing Disclosure Agreement may be waived, if the Trustee shall have received an opinion of Securities Counsel, addressed to the Authority and the Trustee, to the effect that the adoption and the terms of such amendment or waiver would not, in and of themselves, cause the undertakings in the Continuing Disclosure Agreement to violate the Rule, taking into account any subsequent change in or official interpretation of the Rule.

To the extent any amendment to the Continuing Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to the Continuing Disclosure Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall 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. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Enforcement

The obligation of the Authority to comply with the provisions of the Continuing Disclosure Agreement are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Beneficial Owner of Outstanding Subject Bonds, or by the Trustee on behalf of the Holders of Outstanding Subject Bonds, or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the Holders of Outstanding Subject Bonds or by any Beneficial Owner; provided, however, that a Beneficial Owner may not take any enforcement action pursuant to clause (ii) without the consent of the Holders of not less than 25% in aggregate principal amount of the Subject Bonds at the time Outstanding; provided further, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of the Subject Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The Holders, the Beneficial Owners and the Trustee's right to enforce the provisions of the Continuing Disclosure Agreement are limited to a right, by action in mandamus or for specific performance, to compel performance of the Authority's obligations under the Continuing Disclosure Agreement. Any failure by the Authority or the Trustee to perform in accordance with the Continuing Disclosure Agreement will not constitute a default or any Event of Default under the Bond Resolution, and the rights and remedies provided by the Bond Resolution upon the occurrence of a default or an Event of Default will not apply to any such failure.

Termination

The Authority's and the Trustee's obligations under the Continuing Disclosure Agreement with respect to the Subject Bonds terminate upon legal defeasance pursuant to the Bond Resolution, prior redemption or payment in full of all of the Subject Bonds.

The Continuing Disclosure Agreement, or any provision thereof, shall be null and void in the event that the Authority (1) delivers to the Trustee an opinion of Securities Counsel, addressed to the Authority and the Trustee, to the effect that those portions of the Rule which require the provisions of the Continuing Disclosure Agreement, or any of such provisions, do not or no longer apply to the Subject Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers notice to such effect to the MSRB.

Manner of Reporting

All notices and filings required to be made to the MSRB hereunder shall be made in the manner prescribed by the MSRB.

Governing Law

The Continuing Disclosure Agreement must be construed and interpreted in accordance with the laws of the Commonwealth, and any suits and actions arising out of the Continuing Disclosure Agreement must be instituted in a court of competent jurisdiction in the Commonwealth, provided that, to the extent the Continuing Disclosure Agreement addresses matters of federal securities laws, including the Rule, the Continuing Disclosure Agreement must be construed in accordance with such federal securities laws and the official interpretation thereof.

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APPENDIX I

Set forth below is the proposed form of the Approving and Tax Opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority for the Offered Bonds. Such opinion is subject to change prior to the delivery of the Offered Bonds.

June 17, 2026

Virginia Housing Development Authority

Richmond, Virginia

Commissioners:

As Bond Counsel to the Virginia Housing Development Authority (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), created by the Virginia Housing Development Authority Act, being Chapter 1.2 of Title 36 of the Code of Virginia, 1950, as amended (the "Act"), and organized and existing under the Act and other laws of the Commonwealth, we have examined a record of proceedings relating to the issuance of $8,820,000 Rental Housing Bonds, 2026 Series C-Non-AMT (the "Bonds") by the Authority.

The Bonds are authorized to be issued pursuant to the Act and a resolution of the Authority adopted March 24, 1999 entitled "A Resolution Providing for the Issuance of Rental Housing Bonds of the Virginia Housing Development Authority and for the Rights of the Owners Thereof," as amended and supplemented to the date hereof (the "Resolution"); a resolution of the Authority adopted May 5, 2026 entitled "Bond Limitations Resolution" (the "Bond Limitations Resolution"); and the Written Determinations of an Authorized Officer of the Authority dated as of June 2, 2026 (the "Written Determinations"), and executed and delivered in accordance with the Bond Limitations Resolution. The Written Determinations, the Bond Limitations Resolution and the Resolution are collectively herein referred to as the "Bond Resolution." The Bonds are authorized to be issued pursuant to the Resolution for the purpose of providing funds to carry out the Authority's Program of making Mortgage Loans. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Bond Resolution.

In connection with rendering the opinion set forth in paragraph number 4 below, we have examined the provisions of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder; the Authority's Tax Certification and Arbitrage Certificate, of even date herewith, of authorized officers of the Authority, to the effect that the Bonds are not "arbitrage bonds" within the meaning of the Code and as to other matters affecting the tax-exempt status of such Bonds; and the relevant provisions of such other documents and such other matters of fact and law as we have deemed relevant to the rendering of such opinion.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date interest began to accrue, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted in the Bond Resolution to at all times do and perform all acts required by the Code in order to assure that interest on the Bonds shall not be included in gross income of the owner thereof pursuant to the Code.

Based upon the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the Commonwealth, the Act is valid and the Authority has been duly created and validly exists as a political subdivision with such political and corporate powers as set forth in the Act with lawful authority, among other things, to carry out the Program of making Mortgage Loans, to provide funds therefor and to perform the Authority's obligations under the terms and conditions of the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Authority, is valid and binding upon the Authority and is enforceable in accordance with its terms.

3. The Bonds are valid and legally binding general obligations of the Authority secured by a pledge in the manner and to the extent set forth in the Resolution and are entitled to the benefit, protection and security of the provisions, covenants and agreements of the Resolution. The Resolution creates a valid pledge of, and the lien that it purports to create upon, the Assets held or set aside or to be held and set aside pursuant to the Resolution, subject only to the provisions of the Resolution permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103

of the Code, except that no opinion is expressed as to the exclusion from gross income of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person", and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Bonds, and we have assumed compliance by the Authority and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

We express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraph 4 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

The foregoing opinion is qualified to the extent that the enforceability of the Authority's obligations with respect to the Bonds and the Bond Resolution may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

In rendering our opinion, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof and we have relied on certificates and opinions provided to us.

We express no opinion herein as to the financial resources of the Authority, the adequacy of the Assets pledged to payment of the Bonds, the ability of the Authority to provide for the payment of the Bonds or the accuracy or completeness of any information that may have been relied on by anyone in making a decision to purchase the Bonds, including the Authority's Preliminary Official Statement for the Bonds dated May 20, 2026, as supplemented on May 29, 2026, and its Official Statement for the Bonds dated June 2, 2026.

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