



**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)

**Table of Contents**

	<b>Page</b>
Summary of the Quarterly Report	1
Basic Financial Statements:	
Statements of Net Position – March 31, 2026 and 2025 (Unaudited)	3
Statements of Revenues, Expenses, and Changes in Net Position – Nine Months Ended March 31, 2026 and 2025 (Unaudited)	5
Statements of Cash Flows – Nine Months Ended March 31, 2026 and 2025 (Unaudited)	6
Statements of Fiduciary Net Position – March 31, 2026 and 2025 (Unaudited)	8
Statements of Changes in Fiduciary Net Position – Nine Months Ended March 31, 2026 and 2025 (Unaudited)	9
Notes to Basic Financial Statements (Unaudited)	10
<b>Other Supplementary Information</b>	
1 Combining Schedule of Net Position – March 31, 2026 (Unaudited)	31
2 Combining Schedule of Revenues, Expenses, and Changes in Net Position – Nine Months Ended March 31, 2026 (Unaudited)	33
3 Combining Schedule of Fiduciary Net Position – March 31, 2026 (Unaudited)	34
4 Combining Schedule of Changes in Fiduciary Net Position – Nine Months Ended March 31, 2026 (Unaudited)	35
5 Combining Schedule of Net Position – March 31, 2025 (Unaudited)	36
6 Combining Schedule of Revenues, Expenses, and Changes in Net Position – Nine Months Ended March 31, 2025 (Unaudited)	38
7 Combining Schedule of Fiduciary Net Position – March 31, 2025 (Unaudited)	39
8 Combining Schedule of Changes in Fiduciary Net Position – Nine Months Ended March 31, 2025 (Unaudited)	40

**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.

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](http://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)

	<b>2026</b>	<b>2025</b>
<b>Assets</b>		
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
<b>Total assets</b>	<b>13,516,292,521</b>	<b>12,244,262,716</b>
<b>Deferred outflows of resources</b>		
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
<b>Total deferred outflows of resources</b>	<b>6,029,976</b>	<b>7,606,213</b>

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

	<b>2026</b>	<b>2025</b>
<b>Liabilities</b>		
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
<b>Total liabilities</b>	<b>9,435,067,635</b>	<b>8,244,552,733</b>
<b>Deferred inflows of resources</b>		
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	-
<b>Total deferred inflows of resources</b>	<b>80,837,624</b>	<b>73,632,348</b>
<b>Net position (note 1):</b>		
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
<b>Total net position</b>	<b>\$ 4,006,417,238</b>	<b>3,933,683,848</b>

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)

	<b>2026</b>	<b>2025</b>
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)

	<u>2026</u>	<u>2025</u>
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	<u>(954,144,988)</u>	<u>(647,436,200)</u>
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	<u>833,481,477</u>	<u>992,996,375</u>
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	<u>(14,195,553)</u>	<u>(6,771,337)</u>
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	<u>354,586,615</u>	<u>(157,332,722)</u>
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	\$ <u>1,931,591,610</u>	<u>1,745,568,189</u>

**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)

	<b>2026</b>	<b>2025</b>
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)

	<u>2026</u>		<u>2025</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
<b>ASSETS</b>				
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	<u>4,798</u>	<u>113,435,825</u>	<u>4,156</u>	<u>211,887,066</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	1,631,558	-	2,154,120
Investments	73,005,058	-	65,962,562	-
Total noncurrent assets	<u>73,005,058</u>	<u>1,631,558</u>	<u>65,962,562</u>	<u>2,154,120</u>
Total assets	<u>73,009,856</u>	<u>115,067,383</u>	<u>65,966,718</u>	<u>214,041,186</u>
<b>LIABILITIES</b>				
Other liabilities	-	16,736,244	-	5,160,971
Total liabilities	<u>-</u>	<u>16,736,244</u>	<u>-</u>	<u>5,160,971</u>
<b>NET POSITION</b>				
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	<u>\$ 73,009,856</u>	<u>98,331,139</u>	<u>65,966,718</u>	<u>208,880,215</u>

\*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)

	<u>2026</u>		<u>2025</u>	
	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>	<u>Retiree Health Care Plan*</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>				
Contribution:				
Borrower payments	\$ -	1,289,485,625	-	1,327,693,083
Employers	113,426	-	1,607,487	-
Total Contributions	<u>113,426</u>	<u>1,289,485,625</u>	<u>1,607,487</u>	<u>1,327,693,083</u>
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	<u>7,468,032</u>	<u>2,293,249</u>	<u>7,012,841</u>	<u>1,833,118</u>
Total additions	<u>7,581,458</u>	<u>1,291,778,874</u>	<u>8,620,328</u>	<u>1,329,526,201</u>
<b>DEDUCTIONS</b>				
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	<u>113,426</u>	<u>1,277,452,485</u>	<u>107,487</u>	<u>1,184,588,395</u>
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	<u>\$ 73,009,856</u>	<u>98,331,139</u>	<u>65,966,718</u>	<u>208,880,215</u>

\*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)

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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.

	<b>Nine months ended March 31</b>	
	<b>2026</b>	<b>2025</b>
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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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.

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

As of March 31, 2026, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
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	<u>\$ 2,183,925,694</u>	<u>97,099</u>	<u>2,654,563</u>	<u>598,199,221</u>	<u>2,784,876,577</u>

As of March 31, 2025, the Authority had the following investments (including cash equivalents) and maturities:

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
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	<u>\$ 2,428,290,021</u>	<u>154,140</u>	<u>2,220,563</u>	<u>655,553,672</u>	<u>3,086,218,396</u>

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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	400,000	4,000	4,000	400,000
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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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	<u>4,934,828</u>			<u>5,181,527</u>
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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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
	<u>2,585,352</u>	<u>890,960</u>	<u>64,370</u>	<u>3,411,942</u>
Unamortized premium	(66)	—	12	(54)
Total commonwealth mortgage bonds group	<u>2,585,286</u>			<u>3,411,888</u>
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	<u>30,978</u>	<u>—</u>	<u>2,832</u>	<u>28,146</u>
Total	<u>\$ 7,951,092</u>			<u>9,021,561</u>

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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	<u>\$ 6,666,161</u>	<u>1,539,195</u>	<u>364,978</u>	<u>107</u>	<u>7,840,485</u>

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	<u>\$ 9,022,287,168</u>	<u>6,315,700,029</u>	<u>15,337,987,197</u>

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

**(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:

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

Notes to Basic Financial Statements

March 31, 2026 and 2025

(Unaudited)

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)

<b>Assets</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current assets:</b>					
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	<u>333,454,990</u>	<u>1,424,049,686</u>	<u>910,247,224</u>	<u>21,508,321</u>	<u>2,689,260,221</u>
<b>Noncurrent assets:</b>					
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	<u>470,562,100</u>	<u>5,600,510,167</u>	<u>3,988,088,260</u>	<u>77,158,408</u>	<u>10,136,318,935</u>
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	<u>1,039,082,025</u>	<u>5,605,517,562</u>	<u>4,105,274,305</u>	<u>77,158,408</u>	<u>10,827,032,300</u>
<b>Total assets</b>	<u><u>1,372,537,015</u></u>	<u><u>7,029,567,248</u></u>	<u><u>5,015,521,529</u></u>	<u><u>98,666,729</u></u>	<u><u>13,516,292,521</u></u>
<b>Deferred outflows of resources</b>					
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	<u>6,029,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,029,976</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2026  
(Unaudited)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Liabilities</b>					
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	<u>529,515,836</u>	<u>161,454,631</u>	<u>138,005,963</u>	<u>1,531,481</u>	<u>830,507,911</u>
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	<u>173,145,663</u>	<u>5,083,249,686</u>	<u>3,321,474,382</u>	<u>26,689,993</u>	<u>8,604,559,724</u>
<b>Total liabilities</b>	<u>702,661,499</u>	<u>5,244,704,317</u>	<u>3,459,480,345</u>	<u>28,221,474</u>	<u>9,435,067,635</u>
<b>Deferred inflows of resources</b>					
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
<b>Total deferred inflows of resources</b>	<u>13,658,727</u>	<u>67,178,897</u>	<u>-</u>	<u>-</u>	<u>80,837,624</u>
<b>Net position:</b>					
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
<b>Total net position</b>	<u>\$ 662,246,765</u>	<u>1,717,684,034</u>	<u>1,556,041,184</u>	<u>70,445,255</u>	<u>4,006,417,238</u>

**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)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
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	<u>84,406,627</u>	<u>241,114,514</u>	<u>202,927,981</u>	<u>3,025,393</u>	<u>531,474,515</u>
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	<u>195,689,513</u>	<u>158,679,926</u>	<u>133,025,633</u>	<u>767,923</u>	<u>488,162,995</u>
Operating income (expense)	<u>(111,282,886)</u>	<u>82,434,588</u>	<u>69,902,348</u>	<u>2,257,470</u>	<u>43,311,520</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(111,282,886)</u>	<u>82,434,588</u>	<u>69,902,348</u>	<u>2,257,470</u>	<u>43,311,520</u>
Transfers between funds					
Change in net position	<u>64,421,760</u>	<u>(698,868)</u>	<u>(22,676,192)</u>	<u>2,264,820</u>	<u>43,311,520</u>
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	<u>\$ 662,246,765</u>	<u>1,717,684,034</u>	<u>1,556,041,184</u>	<u>70,445,255</u>	<u>4,006,417,238</u>

**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)

	<b>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</b>	<b>Commonwealth Priority Housing Fund</b>	<b>Virginia Housing Trust Fund</b>	<b>National Housing Trust Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>					
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	<u>92,006,635</u>	<u>5,428,422</u>	<u>15,646,987</u>	<u>353,781</u>	<u>113,435,825</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	1,631,558	-	-	1,631,558
Total noncurrent assets	<u>-</u>	<u>1,631,558</u>	<u>-</u>	<u>-</u>	<u>1,631,558</u>
Total assets	<u>92,006,635</u>	<u>7,059,980</u>	<u>15,646,987</u>	<u>353,781</u>	<u>115,067,383</u>
<b>LIABILITIES</b>					
Other liabilities	-	1,941,156	14,740,891	54,197	16,736,244
Total liabilities	<u>-</u>	<u>1,941,156</u>	<u>14,740,891</u>	<u>54,197</u>	<u>16,736,244</u>
<b>NET POSITION</b>					
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	<u>\$ 92,006,635</u>	<u>5,118,824</u>	<u>906,096</u>	<u>299,584</u>	<u>98,331,139</u>

**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)

	<b>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</b>	<b>Commonwealth Priority Housing Fund</b>	<b>Virgina Housing Trust Fund</b>	<b>National Housing Trust Fund</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>					
Contribution:					
Borrower payments	\$ 1,289,485,625	-	-	-	1,289,485,625
Total Contributions	<u>1,289,485,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,289,485,625</u>
Investment earnings:					
Interest, dividends, and other	-	942,893	1,049,466	300,890	2,293,249
Total investment earnings	<u>-</u>	<u>942,893</u>	<u>1,049,466</u>	<u>300,890</u>	<u>2,293,249</u>
Total additions	<u>1,289,485,625</u>	<u>942,893</u>	<u>1,049,466</u>	<u>300,890</u>	<u>1,291,778,874</u>
<b>DEDUCTIONS</b>					
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	<u>1,275,484,900</u>	<u>843,718</u>	<u>839,915</u>	<u>283,952</u>	<u>1,277,452,485</u>
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	<u>\$ 92,006,635</u>	<u>5,118,824</u>	<u>906,096</u>	<u>299,584</u>	<u>98,331,139</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2025  
(Unaudited)

<b>Assets</b>	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Current assets:</b>					
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	<u>301,234,894</u>	<u>1,472,787,387</u>	<u>1,080,474,517</u>	<u>14,039,138</u>	<u>2,868,535,936</u>
<b>Noncurrent assets:</b>					
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	<u>440,712,842</u>	<u>5,276,404,433</u>	<u>2,836,170,529</u>	<u>85,382,212</u>	<u>8,638,670,016</u>
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	<u>1,007,610,434</u>	<u>5,282,108,262</u>	<u>3,000,625,872</u>	<u>85,382,212</u>	<u>9,375,726,780</u>
<b>Total assets</b>	<u><u>1,308,845,328</u></u>	<u><u>6,754,895,649</u></u>	<u><u>4,081,100,389</u></u>	<u><u>99,421,350</u></u>	<u><u>12,244,262,716</u></u>
<b>Deferred outflows of resources</b>					
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	<u>7,606,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,606,213</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
March 31, 2025  
(Unaudited)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
<b>Liabilities</b>					
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	<u>527,924,777</u>	<u>147,507,734</u>	<u>92,642,966</u>	<u>1,585,842</u>	<u>769,661,319</u>
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	<u>180,215,338</u>	<u>4,849,522,856</u>	<u>2,414,710,001</u>	<u>30,443,219</u>	<u>7,474,891,414</u>
<b>Total liabilities</b>	<u>708,140,115</u>	<u>4,997,030,590</u>	<u>2,507,352,967</u>	<u>32,029,061</u>	<u>8,244,552,733</u>
<b>Deferred inflows of resources</b>					
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
<b>Total deferred inflows of resources</b>	<u>8,911,018</u>	<u>64,721,330</u>	<u>-</u>	<u>-</u>	<u>73,632,348</u>
<b>Net position:</b>					
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
<b>Total net position</b>	<u>\$ 599,400,408</u>	<u>1,693,143,729</u>	<u>1,573,747,422</u>	<u>67,392,289</u>	<u>3,933,683,848</u>

**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)

	<b>General Operating Accounts</b>	<b>Rental Housing Bond Group</b>	<b>Commonwealth Mortgage Bond Group</b>	<b>Home- ownership Bond Group</b>	<b>Total</b>
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	<u>86,470,056</u>	<u>228,518,689</u>	<u>162,845,789</u>	<u>4,023,115</u>	<u>481,857,649</u>
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	<u>174,482,890</u>	<u>139,153,250</u>	<u>93,200,991</u>	<u>808,388</u>	<u>407,645,519</u>
Operating income (expense)	<u>(88,012,834)</u>	<u>89,365,439</u>	<u>69,644,798</u>	<u>3,214,727</u>	<u>74,212,130</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(88,012,834)</u>	<u>89,365,439</u>	<u>69,644,798</u>	<u>3,214,727</u>	<u>74,212,130</u>
Transfers between funds	155,023,239	(67,472,017)	(46,572,826)	(40,978,396)	-
Change in net position	<u>67,010,405</u>	<u>21,893,422</u>	<u>23,071,972</u>	<u>(37,763,669)</u>	<u>74,212,130</u>
Total net position, beginning of year	<u>532,390,003</u>	<u>1,671,250,307</u>	<u>1,550,675,450</u>	<u>105,155,958</u>	<u>3,859,471,718</u>
Total net position, end of nine months	<u>\$ 599,400,408</u>	<u>1,693,143,729</u>	<u>1,573,747,422</u>	<u>67,392,289</u>	<u>3,933,683,848</u>

**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)

	<b>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</b>	<b>Commonwealth Priority Housing Fund</b>	<b>Virginia Housing Trust Fund</b>	<b>National Housing Trust Fund</b>	<b>Total Custodial Funds</b>
<b>Assets</b>					
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	<u>202,527,765</u>	<u>4,074,162</u>	<u>2,790,420</u>	<u>2,494,719</u>	<u>211,887,066</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,154,120	-	-	2,154,120
Total noncurrent assets	<u>-</u>	<u>2,154,120</u>	<u>-</u>	<u>-</u>	<u>2,154,120</u>
Total assets	<u>202,527,765</u>	<u>6,228,282</u>	<u>2,790,420</u>	<u>2,494,719</u>	<u>214,041,186</u>
<b>Liabilities</b>					
Other liabilities	-	754,739	2,168,496	2,237,736	5,160,971
Total liabilities	<u>-</u>	<u>754,739</u>	<u>2,168,496</u>	<u>2,237,736</u>	<u>5,160,971</u>
<b>Net position</b>					
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	<u>\$ 202,527,765</u>	<u>5,473,543</u>	<u>621,924</u>	<u>256,983</u>	<u>208,880,215</u>

**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)

	<u>Escrow Funds (GNMA, FNMA, FHLMC, Habitat)</u>	<u>Commonwealth Priority Housing Fund</u>	<u>Virginia Housing Trust Fund</u>	<u>National Housing Trust Fund</u>	<u>Total Custodial Funds</u>
<b>Additions</b>					
Contribution:					
Borrower payments	\$ 1,327,693,083	-	-	-	1,327,693,083
Total Contributions	<u>1,327,693,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,327,693,083</u>
Investment earnings:					
Interest, dividends, and other	-	829,039	780,305	223,774	1,833,118
Total investment earnings	<u>-</u>	<u>829,039</u>	<u>780,305</u>	<u>223,774</u>	<u>1,833,118</u>
Total additions	<u>1,327,693,083</u>	<u>829,039</u>	<u>780,305</u>	<u>223,774</u>	<u>1,329,526,201</u>
<b>Deductions</b>					
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	<u>1,183,357,005</u>	<u>627,401</u>	<u>461,015</u>	<u>142,974</u>	<u>1,184,588,395</u>
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	<u>\$ 202,527,765</u>	<u>5,473,543</u>	<u>621,924</u>	<u>256,983</u>	<u>208,880,215</u>