



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

Basic Financial Statements and  
Supplementary Information

September 30, 2025 and 2024

(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

September 30, 2025 and 2024

(Unaudited)

This condensed report provides highlights of the financial performance of the Virginia Housing Development Authority (the Authority) for the first 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 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 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 first 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  
September 30, 2025 and 2024  
(Unaudited)

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 1,711,358,232	1,536,726,064
Investments (note 3)	453,969,400	370,096,249
Interest receivable – investments	21,207,891	21,688,267
Derivative instruments (note 1)	-	10,945
Mortgage loans held for sale (note 1)	63,935,199	67,492,155
Mortgage and other loans receivable, net	208,348,266	185,245,801
Interest receivable – mortgage and other loans	36,544,419	30,291,687
Other real estate owned	7,423,223	4,212,626
Other assets	13,133,188	15,189,436
Total current assets	<u>2,515,919,818</u>	<u>2,230,953,230</u>
Noncurrent assets:		
Investments (note 3)	631,081,735	719,361,614
Mortgage and other loans receivable	9,538,427,402	8,281,324,011
Less allowance for loan loss (note 1)	154,708,283	138,626,529
Mortgage and other loans receivable, net	<u>9,383,719,119</u>	<u>8,142,697,482</u>
Capital Assets, net of accumulated depreciation and amortization of \$63,398,660 and \$68,694,031 respectively	32,175,050	30,747,537
Mortgage servicing rights, net (note 1)	16,114,420	23,631,137
Other assets	37,358,156	29,952,482
Total noncurrent assets	<u>10,100,448,480</u>	<u>8,946,390,252</u>
<b>Total assets</b>	<u>12,616,368,298</u>	<u>11,177,343,482</u>
<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>	<u>6,029,976</u>	<u>7,606,213</u>

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

	<u>2025</u>	<u>2024</u>
<b>Liabilities</b>		
Current liabilities:		
Notes and bonds payable (note 4)	\$ 645,620,538	667,122,426
Accrued interest payable on notes and bonds	99,303,378	71,836,499
Escrows	71,814,728	59,050,451
Federal grant awards held	-	2,784,358
Derivative instruments	119,668	-
Accounts payable and other liabilities	47,586,812	40,258,266
Total current liabilities	<u>864,445,124</u>	<u>841,052,000</u>
Noncurrent liabilities:		
Bonds payable, net (note 4)	7,513,048,004	6,172,861,668
Project reserves	121,182,715	124,584,862
Loan participation payable to Federal Financing Bank (note 5)	32,093,925	32,972,489
Other liabilities	22,418,092	20,857,876
Total noncurrent liabilities	<u>7,688,742,736</u>	<u>6,351,276,895</u>
<b>Total liabilities</b>	<u>8,553,187,860</u>	<u>7,192,328,895</u>
<b>Deferred inflows of resources</b>		
Deferred fees and points on multifamily loans	67,251,015	65,376,974
Other postemployment benefits - change in assumptions (note 1)	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>	<u>80,367,278</u>	<u>73,846,985</u>
<b>Net position (note 1):</b>		
Net investment in capital assets	14,293,865	7,435,014
Restricted OPEB asset	19,680,411	12,601,297
Restricted by bond indentures	3,364,761,529	3,365,420,753
Unrestricted	590,107,331	533,316,751
<b>Total net position</b>	<u>\$ 3,988,843,136</u>	<u>3,918,773,815</u>

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  
Three months ended September 30, 2025 and 2024  
(Unaudited)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Interest on mortgage and other loans receivable	\$ 117,439,401	97,548,151
Investment earnings:		
Investment income	28,827,427	30,215,857
Realized loss on investments	(711)	(849)
Unrealized gain on investments	9,387,988	33,404,767
Housing Choice Voucher program administrative income	3,292,577	2,717,442
Gains and recoveries on sale of other real estate owned	171,062	141,189
Gains on sale of single family mortgage loans	2,947,825	2,995,510
Mortgage servicing fees net of guaranty fees	9,989,586	10,524,600
Tax credit program fees earned	3,378,483	3,628,344
Other	3,437,968	3,281,472
Total operating revenues	<u>178,871,606</u>	<u>184,456,483</u>
Operating expenses:		
Interest on notes and bonds payable	81,388,005	63,233,445
Salaries and related employee benefits	19,779,602	20,914,027
General operating expenses	11,903,063	9,541,042
Note and bond expenses	710,293	227,732
Bond issuance expenses	1,991,992	1,902,464
Grant expenses	22,110,602	21,788,278
Housing Choice Voucher program expenses	2,212,579	1,912,509
Mortgage servicing rights amortization and other servicing costs	9,857,651	9,627,901
Losses on other real estate owned	250,324	369,722
Provision for loan losses (note 1)	2,930,077	(4,362,734)
Total operating expenses	<u>153,134,188</u>	<u>125,154,386</u>
Operating income	<u>25,737,418</u>	<u>59,302,097</u>
Nonoperating revenues (expenses):		
Pass-through grant awards	28,431,865	27,921,780
Pass-through grants expenses	(28,431,865)	(27,921,780)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>
Change in net position	<u>25,737,418</u>	<u>59,302,097</u>
Total net position, beginning of year	<u>3,963,105,718</u>	<u>3,859,471,718</u>
Total net position, end of three months	<u>\$ 3,988,843,136</u>	<u>3,918,773,815</u>

See accompanying notes to basic financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statements of Cash Flows  
Three months ended September 30, 2025 and 2024  
(Unaudited)

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Cash payments for mortgage and other loans	\$ (686,911,202)	(600,668,955)
Principal repayments on mortgage and other loans	138,498,093	118,023,480
Sale of mortgage loans	91,659,713	78,675,825
Interest received on mortgage and other loans	114,634,317	95,574,311
Pass-through grant awards received	27,097,275	26,035,192
Pass-through grant awards disbursed	(28,431,865)	(26,786,399)
Grant administrative fees received	-	136,800
Housing Choice Voucher payments received	5,127,297	1,614,376
Housing Choice Voucher payments disbursed	(3,029,015)	(2,844,893)
Escrow and project reserve payments received	85,433,781	73,789,641
Escrow and project reserve payments disbursed	(71,146,729)	(59,021,482)
Other operating revenues	23,492,109	25,003,223
Cash received for loan origination fees and loan discounts	6,710,138	2,999,185
Cash paid for loan origination fees and loan premiums	(2,477,543)	(1,757,166)
Cash payments for salaries and related benefits	(20,372,788)	(22,027,527)
Cash payments on grants	(22,110,602)	(21,788,278)
Cash payments for general operating expenses	(13,936,871)	(5,100,406)
Cash payments for servicing release premiums and guaranty fees	(10,955,992)	(9,194,126)
Proceeds from sale of other real estate owned	5,305,825	2,830,852
Net cash used in operating activities	<u>(361,414,059)</u>	<u>(324,506,347)</u>
Cash flows from noncapital financing activities:		
Proceeds from issuance of notes and bonds	320,990,000	291,900,000
Principal payments on notes and bonds	(113,427,233)	(118,091,472)
Principal payments on loan participation - FFB	(222,970)	(214,166)
Interest payments on notes and bonds	(59,261,044)	(47,051,361)
Cash payments for bond issuance expenses	(1,991,992)	(1,902,465)
Net cash provided by noncapital financing activities	<u>146,086,761</u>	<u>124,640,536</u>
Cash flows from capital and related financing activities:		
Purchases of property, furniture, and equipment	(1,478,952)	(401,672)
Lease payments	(199,088)	(199,548)
Subscription-based information technology payments	(991,229)	(1,549,895)
Net cash used in capital and related financing activities	<u>(2,669,269)</u>	<u>(2,151,115)</u>
Cash flows from investing activities:		
Purchases of investments	(450,090,778)	(364,609,688)
Proceeds from sales or maturities of investments	633,290,650	502,585,679
Interest received on investments	34,290,868	36,654,926
Net cash provided by investing activities	<u>217,490,740</u>	<u>174,630,917</u>
Net decrease in cash and cash equivalents	<u>(505,827)</u>	<u>(27,386,009)</u>
Cash and cash equivalents, at beginning of year	1,711,864,059	1,564,112,073
Cash and cash equivalents, at end of three months	<u>\$ 1,711,358,232</u>	<u>1,536,726,064</u>



**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

(A Component Unit of the Commonwealth of Virginia)

Statements of Cash Flows

Three months ended September 30, 2025 and 2024

(Unaudited)

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 25,737,418	59,302,097
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:		
Depreciation of property, furniture, and equipment	583,595	543,107
Amortization of right to use asset	1,649,249	1,226,551
Bond issuance costs	1,991,992	1,902,464
Investment earnings	(38,214,704)	(63,619,775)
Interest on notes and bonds payable	81,388,005	63,233,445
Decrease/(increase) in mortgage loans held for sale	15,654,399	(15,144,907)
Increase in mortgage and other loans receivable	(466,542,741)	(386,103,780)
Increase/(decrease) in allowance for loan loss	2,627,508	(4,496,849)
Increase in interest receivable – mortgage and other loans	(2,247,475)	(1,475,386)
Increase in other real estate owned	(1,131,567)	(190,602)
Decrease in mortgage servicing rights	1,351,992	2,970,063
Decrease in other assets	2,948,987	1,150,117
Increase in deferred inflows of resources	639,819	1,035,296
Decrease in Federal funds held	(1,334,590)	(1,886,588)
(Decrease)/Increase in accounts payable and other liabilities	(889,790)	2,528,360
Increase in escrows and project reserves	14,373,844	14,520,040
Net cash used in operating activities	\$ <u>(361,414,059)</u>	<u>(324,506,347)</u>
Supplemental disclosure of noncash activity:		
Increase in other real estate owned as a result of loan foreclosures	\$ 6,266,328	2,890,568

See accompanying notes to the financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2025 and 2024  
(Unaudited)

	<b>2025</b>		<b>2024</b>	
	<b>Retiree Health Care Plan*</b>	<b>Custodial Funds</b>	<b>Retiree Health Care Plan*</b>	<b>Custodial Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 4,699	91,058,580	3,635	112,008,686
Interest receivable - investments	-	98,776	-	197,936
Interest receivable - mortgage and other loans	-	210,268	-	171,515
Other assets	-	212	-	212
Total current assets	<u>4,699</u>	<u>91,367,836</u>	<u>3,635</u>	<u>112,378,349</u>
Noncurrent assets:				
Mortgage and other loans receivable	-	1,654,120	-	2,177,870
Investments	<u>64,786,789</u>	<u>-</u>	<u>60,207,090</u>	<u>-</u>
Total noncurrent assets	<u>64,786,789</u>	<u>1,654,120</u>	<u>60,207,090</u>	<u>2,177,870</u>
Total assets	<u>64,791,488</u>	<u>93,021,956</u>	<u>60,210,725</u>	<u>114,556,219</u>
<b>LIABILITIES</b>				
Other liabilities	<u>-</u>	<u>2,128,980</u>	<u>-</u>	<u>22,864,728</u>
Total liabilities	<u>-</u>	<u>2,128,980</u>	<u>-</u>	<u>22,864,728</u>
<b>NET POSITION</b>				
Restricted for:				
Other postemployment benefit plan other than pension	64,791,488	-	60,210,725	-
Funds held in escrow	-	84,783,355	-	85,654,301
Other governmental agency	-	6,109,621	-	6,037,190
Total Net Position	<u>\$ 64,791,488</u>	<u>90,892,976</u>	<u>60,210,725</u>	<u>91,691,491</u>

\*March 31, 2025 and 2024 three months ended.  
See accompanying notes to the financial statements.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Three months ended September 30, 2025 and 2024  
(Unaudited)

	<b>2025</b>		<b>2024</b>	
	<b>Retiree Health Care Plan*</b>	<b>Custodial Funds</b>	<b>Retiree Health Care Plan*</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>				
Contribution:				
Borrower payments	\$ -	431,096,700	-	427,736,338
Employers	26,629	-	24,084	-
Total Contributions	<u>26,629</u>	<u>431,096,700</u>	<u>24,084</u>	<u>427,736,338</u>
Investment earnings:				
Net (decrease)/increase in fair value of investments	(1,412,841)	-	2,176,990	-
Interest, dividends, and other	428,351	573,977	396,376	664,632
Securities lending income gain on sales	234,154	-	183,482	-
Total investment earnings	<u>(750,336)</u>	<u>573,977</u>	<u>2,756,848</u>	<u>664,632</u>
Total additions	<u>(723,707)</u>	<u>431,670,677</u>	<u>2,780,932</u>	<u>428,400,970</u>
<b>DEDUCTIONS</b>				
Other governmental agency	-	463,196	-	378,164
Disbursement of escrow funds	-	424,319,255	-	400,273,724
Administrative expense	26,629	-	24,084	-
Total deductions	<u>26,629</u>	<u>424,782,451</u>	<u>24,084</u>	<u>400,651,888</u>
Net increase/(decrease) in fiduciary net position	<u>(750,336)</u>	<u>6,888,226</u>	<u>2,756,848</u>	<u>27,749,082</u>
Net position - beginning of year	65,541,824	84,004,750	57,453,877	63,942,409
Net position - end of three months	<u>\$ 64,791,488</u>	<u>90,892,976</u>	<u>60,210,725</u>	<u>91,691,491</u>

\*March 31, 2025 and 2024 three months ended.  
See accompanying notes to the financial statements.

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

Notes to Basic Financial Statements

September 30, 2025 and 2024

(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 September 30, 2025, the Authority had outstanding 27 forward sales transactions with a book value of \$87.9 million across four

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Notes to Basic Financial Statements

September 30, 2025 and 2024

(Unaudited)

counterparties. At September 30, 2024, the Authority had outstanding 23 forward sales transactions with a book value of \$90.5 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.

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(A Component Unit of the Commonwealth of Virginia)

Notes to Basic Financial Statements

September 30, 2025 and 2024

(Unaudited)

The allowance for loan losses increased by \$2,627,508 for the three months ended September 30, 2025, and decreased by \$4,496,849 for the three months ended September 30, 2024.

	<b>Three months ended September 30</b>	
	<b>2025</b>	<b>2024</b>
Beginning Balance, July 1	\$ 152,080,775	143,123,378
Provision:		
Homeownership	1,295,258	780,079
Rental Housing	1,634,819	(5,142,813)
Provision	2,930,077	(4,362,734)
Net (charge-offs)/recoveries:		
Homeownership	(302,569)	(134,115)
Rental Housing	-	-
Net charge-offs	(302,569)	(134,115)
Net change	2,627,508	(4,496,849)
Ending Balance, September 30	\$ 154,708,283	138,626,529

**(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.

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**(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.

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**(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 September 30, 2024, financial statements to conform to the September 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 September 30, 2024, Statements of Cash Flows in order to conform to the September 30, 2025, presentation.



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**(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 September 30, 2025 and 2024, the carrying amount of the Authority's deposits was \$101,785,406 and \$86,713,264, respectively. The associated bank balance of the Authority's deposits was \$95,142,966 and \$81,511,775 at September 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.

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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 September 30, 2025 and 2024, total cash equivalents were \$1,609,572,826 and \$1,450,012,800, 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.

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

<b>Investment type</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>6-10 years</b>	<b>Over 10 years</b>	<b>Total</b>
U.S. government and agency	\$ 1,733,525,014	-	-	-	1,733,525,014
Repurchase agreements	200,000,000	-	-	-	200,000,000
Asset-backed securities	-	-	28,523	1,037,714	1,066,237
Collateralized mortgage obligations	-	-	-	22,431,673	22,431,673
Agency-mortgage backed securities	-	128,877	2,009,311	605,445,637	607,583,825
Money market securities	130,017,212	-	-	-	130,017,212
<b>Total investments</b>	<b>\$ 2,063,542,226</b>	<b>128,877</b>	<b>2,037,834</b>	<b>628,915,024</b>	<b>2,694,623,961</b>

As of September 30, 2024, the Authority had the following investments (including cash equivalents) and maturities:

<b>Investment type</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>6-10 years</b>	<b>Over 10 years</b>	<b>Total</b>
U.S. government and agency	\$ 1,356,146,280	-	-	-	1,356,146,280
Repurchase agreements	300,000,000	-	-	-	300,000,000
Asset-backed securities	-	-	97,094	1,069,232	1,166,326
Collateralized mortgage obligations	-	-	-	23,527,026	23,527,026
Agency-mortgage backed securities	-	-	1,658,925	693,009,337	694,668,262
Money market securities	163,962,769	-	-	-	163,962,769
<b>Total investments</b>	<b>\$ 1,820,109,049</b>	<b>-</b>	<b>1,756,019</b>	<b>717,605,595</b>	<b>2,539,470,663</b>

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**(4) Notes and Bonds Payable**

Notes and bonds payable at June 30, 2025 and September 30, 2025 and changes for the three months ended September 30, 2025 were as follows:

Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
General operating accounts:				
Revolving line of credit:				
Bank of America				
floating daily rate with				
termination date of December 1, 2025	\$ —	1,000	1,000	—
Wells Fargo				
floating daily rate with				
termination date of December 1, 2025	—	1,000	1,000	—
Federal Home Loan Bank				
varying fixed rate notes with 120 to 180-day maturities				
(average of 4.15% as of September 30, 2025 and				
5.33% at September 30, 2024), maturities range				
from January 16, 2026 to March 02, 2026	400,000	—	—	400,000
Total general operating	400,000	2,000	2,000	400,000
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	104,030	—	—	104,030
2012 Series E dated November 2, 2013,				
3.16% effective interest rate,				
final due date November 1, 2042	7,690	—	—	7,690
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	—	2,460	114,980
2013 Series D dated May 30, 2013,				
4.06% effective interest rate,				
final due date June 1, 2043	82,795	—	—	82,795
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	—	—	43,055
2013 Series G dated December 3, 2013,				
4.39% effective interest rate,				
final due date December 1, 2043	8,140	—	—	8,140

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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
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	—	—	6,985
2014 Series C dated November 20, 2014, 4.29% effective interest rate, final due date November 1, 2044	104,335	—	—	104,335
2015 Series A dated March 18, 2015, 3.50% effective interest rate, final due date March 1, 2045	30,755	—	—	30,755
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	—	—	28,180
2015 Series E/F dated December 8, 2015, 3.94% effective interest rate, final due date December 1, 2045	67,480	—	—	67,480
2016 Series A dated March 8, 2016, 2.99% effective interest rate, final due date March 1, 2046	3,865	—	—	3,865
2016 Series B dated May 17, 2016, 3.35% effective interest rate, final due date May 1, 2046	55,350	—	—	55,350
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	—	—	6,515
2017 Series A dated March 14, 2017, 3.66% effective interest rate, final due date March 1, 2049	24,280	—	—	24,280
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

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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
2017 Series D dated October 19, 2017, 3.21% effective interest rate, final due date October 1, 2047	\$ 4,815	—	—	4,815
2017 Series E dated December 5, 2017, 3.28% effective interest rate, final due date December 1, 2050	42,615	—	—	42,615
2018 Series A dated March 27, 2018, 3.62% effective interest rate, final due date March 1, 2053	30,225	—	—	30,225
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	—	—	67,045
2018 Series E dated December 4, 2018, 3.90% effective interest rate, final due date December 1, 2049	32,890	—	—	32,890
2019 Series A dated March 26, 2019, 3.70% effective interest rate, final due date March 1, 2054	57,740	—	650	57,090
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	—	—	46,835
2019 Series E dated December 12, 2019 3.00% effective interest rate, final due date December 1, 2054	48,410	—	—	48,410
2020 Series A dated March 25, 2020 2.74% effective interest rate, final due date March 1, 2055	69,940	—	—	69,940
2020 Series B dated March 25, 2020 2.39% effective interest rate, final due date March 1, 2055	62,690	—	—	62,690
2020 Series C dated April 28, 2020 3.57% effective interest rate, final due date April 1, 2055	174,505	—	—	174,505

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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
2020 Series D dated May 27, 2020 3.58% effective interest rate, final due date June 1, 2055	\$ 417,800	—	—	417,800
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	—	—	42,755
2020 Series J dated December 2, 2020 3.04% effective interest rate, final due date November 1, 2055	47,850	—	—	47,850
2021 Series A dated March 2, 2021 2.68% effective interest rate, final due date February 1, 2056	77,660	—	—	77,660
2021 Series B dated March 30, 2021 2.23% effective interest rate, final due date March 1, 2056	30,655	—	—	30,655
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

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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
2021 Series I dated October 12, 2021 2.23% effective interest rate, final due date October 1, 2056	\$ 5,855	—	—	5,855
2021 Series J dated November 9, 2021 2.98% effective interest rate, final due date November 1, 2056	221,895	—	—	221,895
2021 Series K dated December 7, 2021 2.39% effective interest rate, final due date December 1, 2056	138,790	—	—	138,790
2022 Series A dated February 2, 2022 2.95% effective interest rate, final due date February 1, 2057	39,610	—	—	39,610
2022 Series B dated March 8, 2022 3.12% effective interest rate, final due date March 1, 2057	57,170	—	—	57,170
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 4.16% effective interest rate, final due date June 1, 2057	40,035	—	—	40,035
2022 Series F dated October 5, 2022 4.85% effective interest rate, final due date October 1, 2057	57,550	—	—	57,550
2022 Series G dated November 30, 2022 5.13% effective interest rate, final due date November 1, 2064	78,820	—	—	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	6,915	—	—	6,915
2023 Series D dated August 3, 2023 4.62% effective interest rate, final due date August 1, 2065	109,895	—	—	109,895
2023 Series E dated October 12, 2023 5.03% effective interest rate, final due date October 1, 2065	56,630	—	—	56,630



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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
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
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
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
	4,935,530	93,990	17,885	5,011,635
Unamortized premium	(702)	—	10	(692)
Total rental housing bonds	4,934,828			5,010,943

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Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
Commonwealth mortgage bonds group:				
2006 Series C, dated June 8, 2006, 6.50% effective interest rate, final due date June 25, 2034	\$ 3,182	—	191	2,991
2012 Series A, dated December 20, 2012, 2.10% effective interest rate, final due date July 1, 2026	12,400	—	4,000	8,400
2012 Series B/C, dated December 20, 2012, 3.09% effective interest rate, final due date July 1, 2039.	167,670	—	—	167,670
2013 Series B, dated May 21, 2013, 2.75% effective interest rate, final due date April 25, 2042	13,158	—	490	12,668
2013 Series C, dated October 24, 2013, 4.25% effective interest rate, final due date October 25, 2043	15,043	—	480	14,563
2013 Series D, dated December 19, 2013, 4.30% effective interest rate, final due date December 25, 2043	14,597	—	299	14,298
2014 Series A, dated December 11, 2014, 3.50% effective interest rate, final due date October 25, 2037	20,900	—	745	20,155
2015 Series A, dated November 10, 2015, 3.25% effective interest rate, final due date June 25, 2042	34,287	—	1,091	33,196
2016 Series A, dated June 9, 2016, 3.10% effective interest rate, final due date June 25, 2041	34,552	—	991	33,561
2017 Series A, dated June 13, 2017, 3.13% effective interest rate, final due date November 25, 2039	39,902	—	1,257	38,645
2019 Series A, dated November 5, 2019, 2.95% effective interest rate, final due date October 25, 2049	38,324	—	922	37,402
2020 Series A, dated February 12, 2020, 2.85% effective interest rate, final due date December 25, 2049	50,570	—	624	49,946
2020 Series B, dated April 21, 2020, 2.75% effective interest rate, final due date October 25, 2046	59,755	—	2,287	57,468
2021 Series A, dated August 17, 2021, 2.13% effective interest rate, final due date July 25, 2051	114,086	—	2,162	111,924

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Notes to Basic Financial Statements

September 30, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
2022 Series A, dated February 1, 2022, 2.88% effective interest rate, final due date February 25, 2052	\$ 33,256	—	324	32,932
2023 Series A, dated October 24, 2023, 5.07% effective interest rate, final due date November 1, 2053	97,635	—	—	97,635
2023 Series B, dated October 24, 2023, 6.39% effective interest rate, final due date November 1, 2053	147,155	—	—	147,155
2023 Series CE, dated December 14, 2023, 4.42% effective interest rate, final due date July 1, 2055	364,395	—	610	363,785
2023 Series D, dated December 14, 2023, 6.03% effective interest rate, final due date January 1, 2054	99,000	—	1,050	97,950
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 DF Series, dated November 21, 2024, 4.71% effective interest rate, final due date July 1, 2055	150,000	75,000	—	225,000
2024 F Series, dated November 21, 2024, 3.63% effective interest rate, final due date April 1, 2026	145,480	—	75,000	70,480
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
2025 C Series, dated July 16, 2025 5.91% effective interest rate, final due date July 1, 2055	—	150,000	—	150,000
	2,585,352	225,000	92,523	2,717,829
Unamortized premium	(66)	—	4	(62)
Total commonwealth mortgage bonds group	2,585,286			2,717,767

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

Notes to Basic Financial Statements

September 30, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at September 30, 2025
		(Amounts shown in thousands)		
Homeownership mortgage bonds group:				
2013 Series A, dated March 27, 2013, 3.25% effective interest rate, final due date August 25, 2042	\$ 30,978	—	1,019	29,959
Total homeownership mortgage bonds group	30,978	—	1,019	29,959
Total	\$ 7,951,092			8,158,669

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

Notes to Basic Financial Statements

September 30, 2025 and 2024

(Unaudited)

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

Description	Balance at June 30, 2024	Issued	Retired	Increase/ (decrease) in unamortized premium/ discount	Balance at September 30, 2024
General operating accounts	\$ 400,000	1,000	1,000	-	400,000
Rental housing bonds group	4,422,184	50,900	18,415	9	4,454,678
Commonwealth mortgage bonds group	1,809,536	240,000	97,952	5	1,951,589
Homeownership mortgage bonds group	34,441	-	724	-	33,717
Total	<u>\$ 6,666,161</u>	<u>291,900</u>	<u>118,091</u>	<u>14</u>	<u>6,839,984</u>

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

Year Ending September 30	Outstanding principal	Current interest	Total debt service
2026	\$ 645,620,538	322,588,860	968,209,398
2027	168,100,000	298,050,382	466,150,382
2028	244,465,000	300,317,737	544,782,737
2029	327,430,000	286,042,046	613,472,046
2030	226,465,000	275,434,258	501,899,258
2031-2035	1,007,486,786	1,266,496,303	2,273,983,089
2036-2040	1,118,665,024	1,066,447,467	2,185,112,491
2041-2045	1,269,575,552	819,401,081	2,088,976,633
2046-2050	1,264,974,410	562,890,587	1,827,864,997
2051-2055	1,300,495,426	279,657,999	1,580,153,425
2056-2060	300,860,000	106,343,521	407,203,521
2061-2065	221,780,000	46,658,670	268,438,670
2066-2070	63,505,000	3,962,769	67,467,769
Total	<u>\$ 8,159,422,736</u>	<u>5,634,291,680</u>	<u>13,793,714,416</u>

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

Notes to Basic Financial Statements

September 30, 2025 and 2024

(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

September 30, 2025 and 2024

(Unaudited)

Description	Balance at June 30, 2025	Issued	Retired	Balance at September 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	\$ 2,557,120	—	16,840	2,540,280
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	—	44,273	6,581,185
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	—	25,202	4,922,524
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	—	57,443	5,783,589
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	—	20,607	3,254,022
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	—	13,553	2,140,011
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	—	25,539	3,895,771
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	—	19,513	2,976,543
Total participation certificates payable	\$ 32,316,895	—	222,970	32,093,925

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
September 30, 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>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 208,351,462	970,120,817	522,204,137	10,681,816	1,711,358,232
Investments	36,401,108	273,388,521	141,193,511	2,986,260	453,969,400
Interest receivable – investments	3,018,338	10,697,954	7,374,013	117,586	21,207,891
Mortgage loans held for sale	-	-	63,935,199	-	63,935,199
Mortgage and other loans receivable, net	11,711,843	107,955,247	84,790,468	3,890,708	208,348,266
Interest receivable – mortgage and other loans	1,118,602	23,094,527	12,101,053	230,237	36,544,419
Other real estate owned	5,120,858	-	2,302,365	-	7,423,223
Other assets	13,133,188	-	-	-	13,133,188
Total current assets	<u>278,855,399</u>	<u>1,385,257,066</u>	<u>833,900,746</u>	<u>17,906,607</u>	<u>2,515,919,818</u>
Noncurrent assets:					
Investments	509,137,059	-	121,944,676	-	631,081,735
Mortgage and other loans receivable	483,227,857	5,539,254,115	3,434,018,987	81,926,443	9,538,427,402
Less allowance for loan loss	26,920,220	76,717,286	50,249,439	821,338	154,708,283
Mortgage and other loans receivable, net	<u>456,307,637</u>	<u>5,462,536,829</u>	<u>3,383,769,548</u>	<u>81,105,105</u>	<u>9,383,719,119</u>
Capital Assets, net of accumulated depreciation and amortization of \$63,398,660	26,819,438	5,355,612	-	-	32,175,050
Mortgage servicing rights, net	16,114,420	-	-	-	16,114,420
Other Assets	37,358,156	-	-	-	37,358,156
Total noncurrent assets	<u>1,045,736,710</u>	<u>5,467,892,441</u>	<u>3,505,714,224</u>	<u>81,105,105</u>	<u>10,100,448,480</u>
<b>Total assets</b>	<u><u>1,324,592,109</u></u>	<u><u>6,853,149,507</u></u>	<u><u>4,339,614,970</u></u>	<u><u>99,011,712</u></u>	<u><u>12,616,368,298</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><u>6,029,976</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>6,029,976</u></u>



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

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
<b>Liabilities</b>					
Current liabilities:					
Notes and bonds payable	400,000,000	98,250,000	145,896,268	1,474,270	645,620,538
Accrued interest payable on notes and bonds	870,153	56,676,290	41,675,799	81,136	99,303,378
Escrows	71,814,728	-	-	-	71,814,728
Derivative instruments	-	-	119,668	-	119,668
Accounts payable and other liabilities	47,586,812	-	-	-	47,586,812
Total current liabilities	520,271,693	154,926,290	187,691,735	1,555,406	864,445,124
Noncurrent liabilities:					
Bonds payable, net	-	4,912,692,444	2,571,871,876	28,483,684	7,513,048,004
Project reserves	121,182,715	-	-	-	121,182,715
Loan participation payable to Federal Financing Bank	32,093,925	-	-	-	32,093,925
Other liabilities	19,318,813	3,032,980	66,299	-	22,418,092
Total noncurrent liabilities	172,595,453	4,915,725,424	2,571,938,175	28,483,684	7,688,742,736
<b>Total liabilities</b>	692,867,146	5,070,651,714	2,759,629,910	30,039,090	8,553,187,860
<b>Deferred inflows of resources</b>					
Deferred fees and points on multifamily loans	555,200	66,695,815	-	-	67,251,015
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>	13,671,463	66,695,815	-	-	80,367,278
<b>Net position:</b>					
Net investment in capital assets	14,295,734	(1,869)	-	-	14,293,865
Restricted OPEB asset	19,680,411	-	-	-	19,680,411
Restricted by bond indentures	-	1,715,803,847	1,579,985,060	68,972,622	3,364,761,529
Unrestricted	590,107,331	-	-	-	590,107,331
<b>Total net position</b>	\$ 624,083,476	1,715,801,978	1,579,985,060	68,972,622	3,988,843,136

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Three months ended September 30, 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	\$ 4,836,875	63,095,941	48,612,072	894,513	117,439,401
Investment earnings:					
Investment income	5,334,896	13,232,798	10,125,390	134,343	28,827,427
Realized loss on investments	(711)	-	-	-	(711)
Unrealized gain on investments	3,305,670	212,425	5,863,728	6,165	9,387,988
Housing Choice Voucher program administrative income	3,292,577	-	-	-	3,292,577
Gains and recoveries on sale of other real estate owned	156,588	-	14,474	-	171,062
Gains on sale of single family mortgage loans	-	-	2,947,825	-	2,947,825
Mortgage servicing fees net of guaranty fees	9,989,586	-	-	-	9,989,586
Tax credit program fees earned	3,378,483	-	-	-	3,378,483
Other	5,342	3,424,779	7,847	-	3,437,968
Total operating revenues	<u>30,299,306</u>	<u>79,965,943</u>	<u>67,571,336</u>	<u>1,035,021</u>	<u>178,871,606</u>
Operating expenses:					
Interest on notes and bonds payable	4,448,972	45,424,451	31,268,661	245,921	81,388,005
Salaries and related employee benefits	19,779,602	-	-	-	19,779,602
General operating expenses	11,901,103	-	1,960	-	11,903,063
Note and bond expenses	710,293	-	-	-	710,293
Bond issuance expenses	9,825	680,324	1,301,843	-	1,991,992
Grant expenses	22,110,602	-	-	-	22,110,602
Housing Choice Voucher program expenses	2,212,579	-	-	-	2,212,579
Mortgage servicing rights amortization and other servicing costs	3,392,080	-	6,465,571	-	9,857,651
Losses on other real estate owned	205,642	-	42,570	2,112	250,324
Provision for loan losses	307,093	1,518,810	1,102,508	1,666	2,930,077
Total operating expenses	<u>65,077,791</u>	<u>47,623,585</u>	<u>40,183,113</u>	<u>249,699</u>	<u>153,134,188</u>
Operating income (expense)	<u>(34,778,485)</u>	<u>32,342,358</u>	<u>27,388,223</u>	<u>785,322</u>	<u>25,737,418</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	28,431,865	-	-	-	28,431,865
Pass-through grants expenses	(28,431,865)	-	-	-	(28,431,865)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(34,778,485)</u>	<u>32,342,358</u>	<u>27,388,223</u>	<u>785,322</u>	<u>25,737,418</u>
Transfers between funds	<u>61,036,956</u>	<u>(34,923,282)</u>	<u>(26,120,539)</u>	<u>6,865</u>	<u>-</u>
Change in net position	<u>26,258,471</u>	<u>(2,580,924)</u>	<u>1,267,684</u>	<u>792,187</u>	<u>25,737,418</u>
Total net position, beginning of year	<u>597,825,005</u>	<u>1,718,382,902</u>	<u>1,578,717,376</u>	<u>68,180,435</u>	<u>3,963,105,718</u>
Total net position, end of three months	<u>\$ 624,083,476</u>	<u>1,715,801,978</u>	<u>1,579,985,060</u>	<u>68,972,622</u>	<u>3,988,843,136</u>

**VIRGINIA HOUSING**

(A Component Unit of the Commonwealth of Virginia)

Combining Schedule of Fiduciary Net Position

Fiduciary Funds - Custodial Funds

September 30, 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	\$ 84,783,355	3,440,036	2,534,569	300,620	91,058,580
Interest receivable - investments	-	34,593	54,772	9,411	98,776
Interest receivable - mortgage and other loans	-	71,193	116,450	22,625	210,268
Other assets	-	212	-	-	212
Total current assets	<u>84,783,355</u>	<u>3,546,034</u>	<u>2,705,791</u>	<u>332,656</u>	<u>91,367,836</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	1,654,120	-	-	1,654,120
Total noncurrent assets	<u>-</u>	<u>1,654,120</u>	<u>-</u>	<u>-</u>	<u>1,654,120</u>
Total assets	<u>84,783,355</u>	<u>5,200,154</u>	<u>2,705,791</u>	<u>332,656</u>	<u>93,021,956</u>
<b>LIABILITIES</b>					
Other liabilities	-	142,131	1,941,617	45,232	2,128,980
Total liabilities	<u>-</u>	<u>142,131</u>	<u>1,941,617</u>	<u>45,232</u>	<u>2,128,980</u>
<b>NET POSITION</b>					
Restricted for:					
Funds held in escrow	84,783,355	-	-	-	84,783,355
Other governmental agency	-	5,058,023	764,174	287,424	6,109,621
Total Net Position	<u>\$ 84,783,355</u>	<u>5,058,023</u>	<u>764,174</u>	<u>287,424</u>	<u>90,892,976</u>

**VIRGINIA HOUSING**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Changes in Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
Three months ended September 30, 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>ADDITIONS</b>					
Contribution:					
Borrower payments	\$ 431,096,700	-	-	-	431,096,700
Total Contributions	<u>431,096,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,096,700</u>
Investment earnings:					
Interest, dividends, and other	-	250,248	252,949	70,780	573,977
Total investment earnings	<u>-</u>	<u>250,248</u>	<u>252,949</u>	<u>70,780</u>	<u>573,977</u>
Total additions	<u>431,096,700</u>	<u>250,248</u>	<u>252,949</u>	<u>70,780</u>	<u>431,670,677</u>
<b>DEDUCTIONS</b>					
Other governmental agency	-	211,874	185,320	66,002	463,196
Disbursement of escrow funds	<u>424,319,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,319,255</u>
Total deductions	<u>424,319,255</u>	<u>211,874</u>	<u>185,320</u>	<u>66,002</u>	<u>424,782,451</u>
Net increase/(decrease) in fiduciary net position	6,777,445	38,374	67,629	4,778	6,888,226
Net position - beginning of year	78,005,910	5,019,649	696,545	282,646	84,004,750
Net position - end of three months	<u>\$ 84,783,355</u>	<u>5,058,023</u>	<u>764,174</u>	<u>287,424</u>	<u>90,892,976</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Net Position  
September 30, 2024  
(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>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 190,097,046	700,291,773	609,279,370	37,057,875	1,536,726,064
Investments	37,676,293	175,970,647	147,153,593	9,295,716	370,096,249
Interest receivable – investments	3,265,845	9,462,289	8,505,498	454,635	21,688,267
Derivative instruments	-	-	10,945	-	10,945
Mortgage loans held for sale	-	-	67,492,155	-	67,492,155
Mortgage and other loans receivable, net	10,637,127	99,004,768	71,659,782	3,944,124	185,245,801
Interest receivable – mortgage and other loans	1,011,880	20,555,160	8,472,341	252,306	30,291,687
Other real estate owned	3,403,155	-	809,471	-	4,212,626
Other assets	15,189,436	-	-	-	15,189,436
Total current assets	<u>261,280,782</u>	<u>1,005,284,637</u>	<u>913,383,155</u>	<u>51,004,656</u>	<u>2,230,953,230</u>
Noncurrent assets:					
Investments	505,073,698	-	214,287,916	-	719,361,614
Mortgage and other loans receivable	423,434,650	5,315,414,953	2,452,298,538	90,175,870	8,281,324,011
Less allowance for loan loss	34,051,109	66,550,679	37,199,421	825,320	138,626,529
Mortgage and other loans receivable, net	<u>389,383,541</u>	<u>5,248,864,274</u>	<u>2,415,099,117</u>	<u>89,350,550</u>	<u>8,142,697,482</u>
Capital Assets, net of accumulated depreciation and amortization of \$68,694,031	24,695,491	6,052,046	-	-	30,747,537
Mortgage servicing rights, net	23,631,137	-	-	-	23,631,137
Other Assets	29,952,482	-	-	-	29,952,482
Total noncurrent assets	<u>972,736,349</u>	<u>5,254,916,320</u>	<u>2,629,387,033</u>	<u>89,350,550</u>	<u>8,946,390,252</u>
<b>Total assets</b>	<u><u>1,234,017,131</u></u>	<u><u>6,260,200,957</u></u>	<u><u>3,542,770,188</u></u>	<u><u>140,355,206</u></u>	<u><u>11,177,343,482</u></u>
<b>Deferred outflows of resources</b>					
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	<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  
September 30, 2024  
(Unaudited)

	General Operating Accounts	Rental Housing Bond Group	Commonwealth Mortgage Bond Group	Home- ownership Bond Group	Total
<b>Liabilities</b>					
Current liabilities:					
Notes and bonds payable	400,000,000	102,540,000	163,077,953	1,504,473	667,122,426
Accrued interest payable on notes and bonds	663,861	48,259,193	22,822,128	91,317	71,836,499
Escrows	59,050,451	-	-	-	59,050,451
Federal grand awards held	2,784,358	-	-	-	2,784,358
Accounts payable and other liabilities	40,258,266	-	-	-	40,258,266
Total current liabilities	502,756,936	150,799,193	185,900,081	1,595,790	841,052,000
Noncurrent liabilities:					
Bonds payable, net	-	4,352,138,559	1,788,510,722	32,212,387	6,172,861,668
Project reserves	124,584,862	-	-	-	124,584,862
Loan participation payable to Federal Financing Bank	32,972,489	-	-	-	32,972,489
Other liabilities	18,520,646	2,337,230	-	-	20,857,876
Total noncurrent liabilities	176,077,997	4,354,475,789	1,788,510,722	32,212,387	6,351,276,895
<b>Total liabilities</b>	678,834,933	4,505,274,982	1,974,410,803	33,808,177	7,192,328,895
<b>Deferred inflows of resources</b>					
Deferred fees and points on multifamily loans	453,757	64,923,217	-	-	65,376,974
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>	8,923,768	64,923,217	-	-	73,846,985
<b>Net position:</b>					
Net investment in capital assets	7,946,595	(511,581)	-	-	7,435,014
Restricted OPEB asset	12,601,297	-	-	-	12,601,297
Restricted by bond indentures	-	1,690,514,339	1,568,359,385	106,547,029	3,365,420,753
Unrestricted	533,316,751	-	-	-	533,316,751
<b>Total net position</b>	\$ 553,864,643	1,690,002,758	1,568,359,385	106,547,029	3,918,773,815

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

(A Component Unit of the Commonwealth of Virginia)

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

Three months ended September 30, 2024

(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	\$ 4,151,870	59,118,304	33,294,873	983,104	97,548,151
Investment earnings:					
Investment income	5,547,761	12,104,982	11,971,781	591,333	30,215,857
Realized loss on investments	(849)	-	-	-	(849)
Unrealized gain on investments	21,923,933	1,384,992	10,014,968	80,874	33,404,767
Housing Choice Voucher program administrative income	2,717,442	-	-	-	2,717,442
Gains and recoveries on sale of other real estate owned	74,225	-	66,964	-	141,189
Gains on sale of single family mortgage loans	-	-	2,995,510	-	2,995,510
Mortgage servicing fees net of guaranty fees	10,524,600	-	-	-	10,524,600
Tax credit program fees earned	3,628,344	-	-	-	3,628,344
Other	148,946	3,127,406	5,120	-	3,281,472
Total operating revenues	<u>48,716,272</u>	<u>75,735,684</u>	<u>58,349,216</u>	<u>1,655,311</u>	<u>184,456,483</u>
Operating expenses:					
Interest on notes and bonds payable	5,461,583	38,647,932	18,848,325	275,605	63,233,445
Salaries and related employee benefits	20,914,027	-	-	-	20,914,027
General operating expenses	9,538,850	-	2,192	-	9,541,042
Note and bond expenses	227,732	-	-	-	227,732
Bond issuance expenses	19,160	506,162	1,377,142	-	1,902,464
Grant expenses	21,788,278	-	-	-	21,788,278
Housing Choice Voucher program expenses	1,912,509	-	-	-	1,912,509
Mortgage servicing rights amortization and other servicing costs	4,153,983	-	5,473,918	-	9,627,901
Losses on other real estate owned	282,609	-	85,503	1,610	369,722
Provision for loan losses	(112,278)	(5,048,814)	806,353	(7,995)	(4,362,734)
Total operating expenses	<u>64,186,453</u>	<u>34,105,280</u>	<u>26,593,433</u>	<u>269,220</u>	<u>125,154,386</u>
Operating income (expense)	<u>(15,470,181)</u>	<u>41,630,404</u>	<u>31,755,783</u>	<u>1,386,091</u>	<u>59,302,097</u>
Nonoperating revenues (expenses):					
Pass-through grant awards	27,921,780	-	-	-	27,921,780
Pass-through grants expenses	(27,921,780)	-	-	-	(27,921,780)
Total nonoperating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(15,470,181)</u>	<u>41,630,404</u>	<u>31,755,783</u>	<u>1,386,091</u>	<u>59,302,097</u>
Transfers between funds	<u>36,944,821</u>	<u>(22,877,953)</u>	<u>(14,071,848)</u>	<u>4,980</u>	<u>-</u>
Change in net position	<u>21,474,640</u>	<u>18,752,451</u>	<u>17,683,935</u>	<u>1,391,071</u>	<u>59,302,097</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 three months	<u>\$ 553,864,643</u>	<u>1,690,002,758</u>	<u>1,568,359,385</u>	<u>106,547,029</u>	<u>3,918,773,815</u>

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)  
Combining Schedule of Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
September 30, 2024  
(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	\$ 85,654,301	8,204,393	15,049,053	3,100,939	112,008,686
Interest receivable - investments	-	73,543	94,406	29,987	197,936
Interest receivable - mortgage and other loans	-	65,712	91,651	14,152	171,515
Other assets	-	212	-	-	212
Total current assets	<u>85,654,301</u>	<u>8,343,860</u>	<u>15,235,110</u>	<u>3,145,078</u>	<u>112,378,349</u>
Noncurrent assets:					
Mortgage and other loans receivable	-	2,177,870	-	-	2,177,870
Total noncurrent assets	<u>-</u>	<u>2,177,870</u>	<u>-</u>	<u>-</u>	<u>2,177,870</u>
Total assets	<u>85,654,301</u>	<u>10,521,730</u>	<u>15,235,110</u>	<u>3,145,078</u>	<u>114,556,219</u>
<b>Liabilities</b>					
Other liabilities	-	5,150,369	14,787,041	2,927,318	22,864,728
Total liabilities	<u>-</u>	<u>5,150,369</u>	<u>14,787,041</u>	<u>2,927,318</u>	<u>22,864,728</u>
<b>Net position</b>					
Restricted for:					
Funds held in escrow	85,654,301	-	-	-	85,654,301
Other governmental agency	-	5,371,361	448,069	217,760	6,037,190
Total Net Position	<u>\$ 85,654,301</u>	<u>5,371,361</u>	<u>448,069</u>	<u>217,760</u>	<u>91,691,491</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  
Three months ended September 30, 2024  
(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>Additions</b>					
Contribution:					
Borrower payments	\$ 427,736,338	-	-	-	427,736,338
Total Contributions	<u>427,736,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,736,338</u>
Investment earnings:					
Interest, dividends, and other	-	297,341	285,227	82,064	664,632
Total investment earnings	<u>-</u>	<u>297,341</u>	<u>285,227</u>	<u>82,064</u>	<u>664,632</u>
Total additions	<u>427,736,338</u>	<u>297,341</u>	<u>285,227</u>	<u>82,064</u>	<u>428,400,970</u>
<b>Deductions</b>					
Other governmental agency	-	197,885	139,792	40,487	378,164
Disbursement of escrow funds	400,273,724	-	-	-	400,273,724
Total deductions	<u>400,273,724</u>	<u>197,885</u>	<u>139,792</u>	<u>40,487</u>	<u>400,651,888</u>
Net increase in fiduciary net position	27,462,614	99,456	145,435	41,577	27,749,082
Net position - beginning of year	58,191,687	5,271,905	302,634	176,183	63,942,409
Net position - end of three months	<u>\$ 85,654,301</u>	<u>5,371,361</u>	<u>448,069</u>	<u>217,760</u>	<u>91,691,491</u>