

In the opinion of Kutak Rock LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2024C Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any Series 2024C Bond for any period during which such Series 2024C Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the Series 2024C Bonds or a “related person”, and (ii) interest on the Series 2024C Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Series 2024C Bonds may affect the federal alternative minimum tax imposed on certain corporations. In addition, in the opinion of Bond Counsel to the Authority, under the Illinois Housing Development Act, as amended, interest on the Series 2024C Bonds is exempt from Illinois income taxes. For a more complete description, see “TAX MATTERS” herein, and APPENDIX E – “Form of Bond Counsel Opinion.”



**\$30,000,000**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS, 2024 SERIES C**

CONSISTING OF

**\$7,400,000**

**MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-1  
(SUSTAINABILITY BONDS)**

**\$22,600,000**

**MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-2  
(SUSTAINABILITY BONDS)**

**Dated: Date of delivery**

**Due: As shown on the inside cover hereof**

The Illinois Housing Development Authority (the “Authority”) is offering \$7,400,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series C-1 (the “Series 2024C-1 Bonds”) and \$22,600,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series C-2 (the “Series 2024C-2 Bonds”) (the “Series 2024C-1 Bonds” together with the Series 2024C-2 Bonds, the “Series 2024C Bonds”). The Series 2024C Bonds are being issued pursuant to a Trust Indenture dated as of September 1, 2016 (the “General Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”) and a 2024 Series C Indenture, dated as of July 1, 2024 (the “Series 2024C Indenture” and together with the General Indenture, the “Indenture”) between the Authority and the Trustee.

The Series 2024C Bonds have been designated as “Sustainability Bonds.” See “DESIGNATION OF THE SERIES 2024C BONDS AS SUSTAINABILITY BONDS” herein.

The Series 2024C Bonds are issuable in the form of fully registered bonds in denominations of (i) \$5,000 or any integral multiple of \$5,000 with respect to the Series 2024C-1 Bonds and (ii) \$100,000 or any integral of \$5,000 in excess thereof with respect to the Series 2024C-2 Bonds.

The Series 2024C-1 Bonds shall be dated the date of delivery and shall bear interest at the rates set forth on the inside cover from the date of issuance. Interest on the Series 2024C-1 Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2025 (the “Interest Payment Dates”), and also at maturity or earlier redemption.

The Series 2024C-2 Bonds shall be dated as of the date of their delivery, shall bear interest, payable on the Interest Payment Dates, from the date of issuance, to but not including, the initial mandatory tender date as set forth on the inside cover (the “Initial Mandatory Tender Date”) or earlier redemption date at the initial interest rate as set forth on the inside cover (the “Initial Interest Rate”). The Series 2024C-2 Bonds will be subject to mandatory tender (with no right of retention), subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All bondholders must tender their Series 2024C-2 Bonds for purchase on the Initial Mandatory Tender Date. The Series 2024C-2 Bonds may be remarketed and a new interest rate for the Series 2024C-2 Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series 2024C-2 Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series 2024C-2 Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series 2024C-2 Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement but rather must rely upon any disclosure documents prepared in connection with such remarketing. See “THE SERIES 2024C BONDS” herein.

The Series 2024C Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchases will be made in book-entry only form and no physical delivery of the Series 2024C Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of, and interest and premium, if any, on the Series 2024C Bonds will be made by the Trustee to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants (as herein defined) and thereafter to Beneficial Owners. See “THE SERIES 2024C BONDS” herein.

The Trust Estate for the Series 2024C Bonds, all other series of bonds Outstanding under the Indenture and any Additional Bonds (collectively, the “Bonds”) includes Revenues, Funds and Accounts established under the Indenture, rights in the Loans and security for the rights in the Loans which rights are part of the Trust Estate, solely to the extent such items are subject to the pledge, assignment, lien and security interest as provided in the Indenture, including the investments, if any, of such amounts, and the earnings, if any, on such investments until applied in accordance with the terms of the Indenture; all right, title and interest of the Authority in and to the Loans and the documents evidencing and securing the Loans; all right, title and interest of the Authority in and to insurance proceeds and liquidation proceeds, but excluding Loans accrued interest not purchased by the Authority. The Trust Estate for the Bonds also includes all Contributed Assets, except as otherwise provided in a Series Indenture. The pledge of Funds and Accounts established under the Indenture may be limited in purpose and time, as set forth in the Indenture and security for the rights in Loans which rights are part of the Trust Estate, solely to the extent such items are subject to the pledge, assignment, lien and security interest as provided in the Indenture. The Series 2024C Bonds, and unless subordinated, all Bonds are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the General Indenture. See “SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF PAYMENT” herein.

The Series 2024C Bonds are subject to special, optional and mandatory sinking fund redemption prior to maturity under certain circumstances described herein and as set forth in the Indenture. See “The Series 2024C Bonds – Redemption” herein.

THE SERIES 2024C BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY. THE SERIES 2024C BONDS AND INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS, A LIABILITY, A GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH OR LOAN OF CREDIT OF THE AUTHORITY, THE STATE OF ILLINOIS (THE “STATE”) OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE AUTHORITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2024C BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND ASSETS PLEDGED WITH RESPECT THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE UNITED STATES OF AMERICA, THE AUTHORITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024C BONDS OR OTHER COSTS INCIDENT THERETO. THE SERIES 2024C BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF AND ARE NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2024C BONDS AND OTHER BONDS ISSUED UNDER THE GENERAL INDENTURE WILL BE SECURED SOLELY BY THE REVENUES, INCOME AND RECEIPTS PLEDGED TO THE PAYMENT THEREOF UNDER THE INDENTURE. THE AUTHORITY HAS DETERMINED BY RESOLUTION THAT THE PROVISIONS OF SECTION 26.1 OF THE ILLINOIS HOUSING DEVELOPMENT ACT, WHICH REQUIRES THE GOVERNOR TO SUBMIT TO THE GENERAL ASSEMBLY THE AMOUNT CERTIFIED BY THE AUTHORITY AS BEING REQUIRED TO PAY DEBT SERVICE ON ITS BONDS BECAUSE INSUFFICIENT MONEYS ARE AVAILABLE FOR SUCH PURPOSES, SHALL NOT APPLY TO THE SERIES 2024C BONDS.

The Series 2024C Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriters, subject to prior sale and to withdrawal or modification of the offer without notice and the approval of legality by Kutak Rock LLP, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by its interim general counsel, Kathryn Finn, Esq., and for the Underwriters by their counsel, Katten Muchin Rosenman LLP, Chicago, Illinois. Delivery of the Series 2024C Bonds to the Trustee on behalf of DTC under the DTC FAST system of registration is expected on or about July 17, 2024.

**SIEBERT WILLIAMS SHANK & Co., LLC**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES**

**\$30,000,000**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS, 2024 SERIES C**

CONSISTING OF

**\$7,400,000**

**MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-1 (Sustainability Bonds)**

|             |  |
|-------------|--|
| \$60,000    | 3.50% Term Bonds due July 1, 2029 – Price 100%; CUSIP No. 45202BRS7 <sup>†</sup> |
| \$65,000    | 3.60% Term Bonds due July 1, 2030 – Price 100%; CUSIP No. 45202BRT5 <sup>†</sup> |
| \$70,000    | 3.70% Term Bonds due July 1, 2031 – Price 100%; CUSIP No. 45202BRU2 <sup>†</sup> |
| \$75,000    | 3.80% Term Bonds due July 1, 2032 – Price 100%; CUSIP No. 45202BRV0 <sup>†</sup> |
| \$80,000    | 3.85% Term Bonds due July 1, 2033 – Price 100%; CUSIP No. 45202BRW8 <sup>†</sup> |
| \$80,000    | 3.90% Term Bonds due July 1, 2034 – Price 100%; CUSIP No. 45202BRX6 <sup>†</sup> |
| \$80,000    | 3.95% Term Bonds due July 1, 2035 – Price 100%; CUSIP No. 45202BRY4 <sup>†</sup> |
| \$90,000    | 4.00% Term Bonds due July 1, 2036 – Price 100%; CUSIP No. 45202BRZ1 <sup>†</sup> |
| \$290,000   | 4.15% Term Bonds due July 1, 2039 – Price 100%; CUSIP No. 45202BSA5 <sup>†</sup> |
| \$575,000   | 4.50% Term Bonds due July 1, 2044 – Price 100%; CUSIP No. 45202BSB3 <sup>†</sup> |
| \$725,000   | 4.65% Term Bonds due July 1, 2049 – Price 100%; CUSIP No. 45202BSC1 <sup>†</sup> |
| \$900,000   | 4.75% Term Bonds due July 1, 2054 – Price 100%; CUSIP No. 45202BSD9 <sup>†</sup> |
| \$1,145,000 | 4.85% Term Bonds due July 1, 2059 – Price 100%; CUSIP No. 45202BSE7 <sup>†</sup> |
| \$3,165,000 | 4.90% Term Bonds due July 1, 2068 – Price 100%; CUSIP No. 45202BSF4 <sup>†</sup> |

**\$22,600,000**

**MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-2 (Sustainability Bonds)**

| <b>Maturity</b> | <b>Principal Amount</b> | <b>Initial Interest Rate<sup>‡</sup></b> | <b>Initial Mandatory Tender Date</b> | <b>CUSIP<sup>†</sup> (45202B)</b> |
|-----------------|-------------------------|--|--------------------------------------|-----------------------------------|
| August 1, 2032  | \$22,600,000            | 3.60%                                    | August 1, 2028                       | SG2                               |

<sup>†</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data used in this Official Statement is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. The CUSIP numbers listed are being provided solely for the convenience of the registered owners of the Series 2024C Bonds only at the time of issuance of the Series 2024C Bonds and neither the Authority nor the Underwriters makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024C Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024C Bonds.

<sup>‡</sup> The Series 2024 C-2 Bonds are dated as of the Closing Date and shall bear interest at the Initial Interest Rate from the Closing Date, to but not including the Initial Mandatory Tender Date (or earlier redemption date), payable on payable semiannually on each January 1 and July 1, commencing January 1, 2025.

No dealer, broker, salesperson or other person has been authorized by the Authority or by the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and if given or made such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024C Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Authority and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or changes involving the Loans since the date hereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation of the Authority or the Underwriters that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The forecasts, projections and estimates have not been examined or compiled by the Authority's auditors, nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Authority's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 2024C Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2024C Bonds to certain dealers and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

No registration statement relating to the Series 2024C Bonds has been filed with the Securities and Exchange Commission (the "*Commission*") or with any state securities agency. The Series 2024C Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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**\$30,000,000**  
**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**MULTIFAMILY REVENUE BONDS, 2024 SERIES C**

CONSISTING OF

**\$7,400,000**  
**MULTIFAMILY REVENUE BONDS,**  
**2024 Series C-1**  
**(Sustainability Bonds)**

**\$22,600,000**  
**MULTIFAMILY REVENUE BONDS,**  
**2024 Series C-2**  
**(Sustainability Bonds)**

This Official Statement provides certain information concerning the Illinois Housing Development Authority (the “*Authority*” or “*IHDA*”) in connection with the sale of the Authority’s \$7,400,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series C-1 (the “*Series 2024C-1 Bonds*”) and \$22,600,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series C-2 (the “*Series 2024C-2 Bonds*”, together with the Series 2024C-1 Bonds, the “*Series 2024C Bonds*”). The Series 2024C Bonds are authorized to be issued pursuant to the Illinois Housing Development Authority Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the “*Act*”), and a Resolution adopted by the Board of Directors of the Authority on May 17, 2024 (the “*Bond Resolution*”). The Series 2024C Bonds are being issued pursuant to the general terms of a Trust Indenture dated as of September 1, 2016 (the “*General Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), and a Series 2024C Indenture, dated as of July 1, 2024 (the “*Series 2024C Indenture*” and together with the General Indenture, the “*Indenture*”), between the Authority and the Trustee. The Trust Estate created under the Indenture secures the Series 2024C Bonds and any other Series of bonds or other obligations issued or to be issued and Outstanding (collectively, the “*Bonds*”) under the General Indenture on an equal and ratable basis. The Series 2024C Bonds will be the twenty-first Series of parity Bonds issued under the General Indenture.

Certain terms used in this Official Statement, the General Indenture and the Series 2024C Indenture have the meanings set forth in APPENDIX C – “Form of Series 2024C Indenture” and APPENDIX D – “Execution Copy of General Indenture,” both attached hereto.

**INTRODUCTORY STATEMENT**

The Series 2024C Bonds are being issued to provide moneys to make a loan to Ravine Redevelopment, LLC, an Illinois limited liability company (“*Series 2024C Borrower*”) in the initial principal amount of \$30,000,000 (the “*Series 2024C Collateralized Loan*”) to finance a portion of the acquisition, rehabilitation, construction and equipping by the Series 2024C Borrower of an existing affordable multifamily residential housing development and to be constructed new buildings to be known as “Ravine Terrace” and located at 200 S. MLK Jr. Avenue and 1645 N. McAree Road in Waukegan, Illinois that upon completion will consist of 98 units (“*Series 2024C Financed Development*” or “*Project*”); and deposit into other Funds and Accounts the amounts specified in the Series 2024C Indenture. See “PLAN OF FINANCE—The Series 2024C Financed Development” herein for a description of the Series 2024C Borrower and the Series 2024C Financed Development.

From and after conversion of the Series 2024C Financed Development to its permanent phase, \$7,400,000 of the Series 2024C Collateralized Loan will become the 2024C Risk Share Loan (the “*Series 2024C Risk Share Loan*”) which will be secured by a fee mortgage on the Series 2024C Financed Development and will be evidenced by a fee mortgage promissory note from the Series 2024C Borrower to the Authority evidencing the obligation of the Series 2024C Borrower to repay the Series 2024C Risk Share Loan financed with proceeds of the Series 2024C Bonds (the “*Series 2024C Risk Share Loan Note*”). The 2024C Risk Share Loan, together with the Series 2024C Collateralized Loan, are the “*Series 2024C Loans*”. See APPENDIX B – “Certain Information Regarding the Series 2024C Loans.”

The Series 2024C Risk Share Loan, from and after conversion of the Series 2024C Financed Development to its permanent phase, will be insured by the Federal Housing Administration (“*FHA*”), pursuant to a mortgage insurance program (the “*Risk-Sharing Program*”) established by the Federal Housing and Community Development Act of 1992 and the regulations promulgated thereunder, as more fully described herein. The Risk-Sharing Program provides for payment by the United States Department of Housing and Urban Development (“*HUD*”) of 100% of the unpaid principal balance of the Series 2024C Risk Share Loan as of the date of default and interest on Series 2024C Risk Share Loan from the date of default to the date of the initial claim payment. Insurance payments received from

HUD pursuant to the Risk-Sharing Program with respect to the Series 2024C Risk Share Loan are further pledged as security for the payment of the Bonds. To the extent permitted by law, including applicable HUD regulations, while the Series 2024C Bonds are outstanding, the Authority agrees to name the Trustee as payee with respect to any claims for Risk-Sharing Insurance proceeds relating to the Series 2024C Risk Share Loan or to otherwise provide that such proceeds are delivered to the Trustee for deposit under the Indenture. See “SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF PAYMENT.” For a description of the Risk-Sharing Program, see APPENDIX F – “FHA Risk-Sharing Program.”

CIBC Bank USA, an Illinois state chartered bank (“CIBC”) the bridge lender (the “*Bridge Lender*”) has agreed to fund a loan in an aggregate principal amount not to exceed \$30,000,000 (the “*Bridge Loan*”), which will be available for deposit to the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund established under the Series 2024C Indenture (the “*Cash Collateral Subaccount*”) as disbursements are made on the Series 2024C Collateralized Loan. Under the terms of the Series 2024C Indenture, a portion of the proceeds of the Series 2024C Bonds will be disbursed to fund the Series 2024C Collateralized Loan only if at the time of each such disbursement, the Authority and CIBC have approved funding a disbursement for the related draw request under the Bridge Loan, and an amount equal to such disbursement is deposited into the Cash Collateral Subaccount. Amounts on deposit in the Cash Collateral Subaccount will comprise a portion of the Trust Estate and may only be used to pay the principal of and interest on the Series 2024C Bonds or released back to Bridge Lender upon payment in full of the Series 2024C Collateralized Loan, as further provided in the Series 2024C Indenture. See “SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF REPAYMENT.” The Bridge Lender will hold the first-lien mortgage on the Series 2024C Borrower’s fee interest in the Series 2024C Financed Development during the construction phase of the Project. At conversion, \$7,400,000 of the Series 2024C Collateralized Loan becomes the 2024C Risk Share Loan and the first lien mortgage held by the Bridge Lender is replaced with the Risk Share mortgage on the Series 2024C Financed Development. The 2024C Risk Share Loan will be secured during the permanent loan phase of the Project by a first-lien mortgage on the Series 2024C Financed Development. Since the Risk Share mortgage is recorded at initial closing, the Authority and the Bridge Lender will enter into a certain Subordination Agreement clarifying the priorities between the mortgages (the “*Subordination Agreement*”).

The Series 2024C Bonds are special, limited obligations of the Authority secured solely by a pledge of the Trust Estate pledged under the Indenture on an equal and ratable basis with all Bonds Outstanding under the Indenture. With respect to the Bonds, the pledged revenues (the “*Revenues*”) consist of (i) principal and interest and related payments on the Loans, payments of service and other fees or charges to the Authority with respect to the Loans, payments on the Loans to reimburse the Authority for costs of issuance of the Series 2024C Bonds (or other costs of the Authority with respect to the Bonds payable from the Revenue Fund established under the Indenture) and also including, without limitation, Loan Prepayments with respect to the Loans, and Recovery Payments; (ii) Insurance Proceeds with respect to the Loans; (iii) Proceeds; (iv) any Derivative Payments by a counterparty with respect to the Bonds to the extent the Authority provides written directions for those Derivative Payments to be included in Revenues; and (v) subject to the provisions of the Indenture, interest and other investment earnings received on the investment of amounts in any Account or Fund established under the Indenture. “Revenues” *do not* include (A) discount, points or other initial Loan fees charged by the Authority; (B) any payment of interest on the Loans or other payments with respect to the Loans to the extent to be used for paying mortgage insurance premiums or other fees for credit enhancement of the Loans; or (C) Development Receipts. “Revenues” *do* include amounts collected with respect to the Loans representing housing assistance payments under any applicable agreements with the U.S. Department of Housing and Urban Development. See “SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF REPAYMENT.”

The Series 2024C Bonds are subject to special, optional and mandatory sinking fund redemption prior to maturity as described under “THE SERIES 2024C BONDS – Redemption.”

The Series 2024C Bonds will be the twenty-first Series of parity Bonds issued under the General Indenture. The Authority has previously issued its (i) \$41,550,000 Multifamily Revenue Bonds, 2019 Series A (Non-AMT), (ii) \$5,750,000 Multifamily Revenue Bonds, 2020 Series A (Non-AMT), (iii) \$2,935,000 Multifamily Revenue Bonds, 2020 Series B (Non-AMT), (iv) \$1,650,000 Multifamily Revenue Bonds, 2020 Series C (Non-AMT), (v) \$1,695,000 Multifamily Revenue Bonds, 2020 Series D (Taxable), (vi) \$84,895,000 Multifamily Revenue Bonds, 2021 Series A (Non-AMT), (vii) \$28,700,000 Multifamily Revenue Bonds, 2021 Series B (Non-AMT), (viii) \$78,005,000 Multifamily Revenue Bonds, 2021 Series C (Non-AMT), (ix) \$21,810,000 Multifamily Revenue



Bonds, 2022 Series A (Non-AMT), (x) \$10,815,000 Multifamily Revenue Bonds, 2022 Series B (Non-AMT) (Sustainability Bonds), (xi) \$23,570,000 Multifamily Revenue Bonds, 2022 Series C (Federally Taxable Variable Rate Bonds) (Social Bonds) (“*Series 2022C Bonds*”), (xii) \$8,640,000 Multifamily Revenue Bonds, 2023 Series A (Non-AMT), (xiii) \$17,070,000 Multifamily Revenue Bonds, 2023 Series B (Non-AMT) (Sustainability Bonds), (xiv) \$11,730,000 Multifamily Revenue Bonds, 2023 Series C (Non-AMT) (Variable Rate) (Sustainability Bonds) (“*Series 2023C Bonds*”), (xv) \$4,840,000 Multifamily Revenue Bonds, 2023 Series D (Non-AMT), (xvi) \$12,940,000 Multifamily Revenue Bonds, 2023 Series E (Non-AMT), (xvii) \$6,600,000 Multifamily Revenue Bonds, 2023 Series F (Taxable), (xviii) \$8,100,000 Multifamily Revenue Bonds, 2023 Series G (Non-AMT), (xix) \$24,995,000 Multifamily Revenue Bonds, 2024 Series A (Non-AMT) (Variable Rate) (Sustainability Bonds) (“*Series 2024A Bonds*”), and (xx) \$18,935,000 Multifamily Revenue Bonds, 2024 Series B (“*Series 2024B Bonds*”) all of which are fixed rate bonds except the Series 2022C Bonds, Series 2023C Bonds, Series 2024A Bonds which are variable rate bonds and all currently remain outstanding.

The Authority has also previously issued three series of its Multifamily Revenue Bonds, each of which series was issued as Separately-Secured Bonds under the General Indenture and related Series Indenture and does not constitute Bonds Outstanding under the General Indenture.

There follows in this Official Statement a description of the Authority, certain information regarding the Series 2024C Borrower, the Series 2024C Financed Development and the Series 2024C Loans, together with other information, including summaries of certain terms of the Series 2024C Bonds, the General Indenture, the Series 2024C Indenture and certain provisions of the Act. See also APPENDIX A – “Audited Financial Statements of the Authority for the Fiscal Year Ended June 30, 2023.” All references herein to the Act, the General Indenture and the Series 2024C Indenture are qualified in their entirety by reference to such laws and the regulations promulgated thereunder and such instruments or documents, copies of which are available from the Authority or the Underwriters, and all references to the Series 2024C Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Series 2024C Indenture. Definitions of certain terms used herein and not otherwise defined are set forth in APPENDIX C – “Form of Series 2024C Indenture” and APPENDIX D – “Execution Copy of General Indenture.”

#### **DESIGNATION OF THE SERIES 2024C BONDS AS SUSTAINABILITY BONDS**

The Authority is designating the Series 2024C Bonds as “Sustainability Bonds” based on the intended use of proceeds of the Series 2024C Bonds to finance the Series 2024C Loans that are expected to provide affordable housing and to include energy efficiency standards and features. The Authority’s Sustainability Bonds designation reflects the use of the proceeds of the Series 2024C Bonds in a manner that is consistent with the *Green Bond Principles*, *Social Bond Principles*, and *Sustainability Bond Guidelines* as promulgated by the International Capital Markets Association (“ICMA”). In addition, by reference to the ICMA’s *Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals*, the Authority has determined that its Sustainability Bonds designation reflects the use of the proceeds of the Series 2024C Bonds in a manner that is consistent with “Goal 1: No Poverty,” “Goal 7: Affordable and Clean Energy” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1,” “SDG 7” and “SDG 11” specifically). The ICMA’s *Green, Social and Sustainability Bonds: A High Level Mapping to the Sustainable Development Goals* maps SDG 1.4 to Social Bond Principle “Affordable Housing,” SDG 7.3 to Green Bond Principle “Energy Efficiency,” and SDG 11.1 to Social Bond Principles “Affordable Housing” and “Affordable Basic Infrastructure.”

*Use of Proceeds.* The proceeds of the Series 2024C Bonds are expected to be used to fund the Series 2024C Loans.

Series 2024C Loans. The Series 2024C Loans are expected to be made in the aggregate amount of \$30,000,000 to finance the acquisition, rehabilitation, construction, and equipping of the Series 2024C Financed Development. The Series 2024C Financed Development is expected to benefit from an allocation of 4% Low Income Housing Tax Credits (“LIHTC”) and is expected to include energy efficiency standards and features consistent with the and the State of Illinois’ 2021 Qualified Allocation Plan (“QAP”). Additionally, the Series 2024C Financed Development must satisfy the Illinois Energy Conservation Code, the Authority’s Standards for Architectural Planning and Construction and its Sustainable Design Checklist, all of which are incorporated by reference in the QAP. See

“SERIES 2024C PLAN OF FINANCE – The Series 2024C Financed Development” and APPENDIX B – “Certain Information Regarding the Series 2024C Loans” for additional project information and APPENDIX I – “Green Standards” for additional information on the Authority’s Standards for Architectural Planning and Construction.

Series 2024C Financed Development. The Series 2024C Financed Development consists of 98 residential revenue-generating units across one 8 story building and one 3 story building in Waukegan, Illinois. The development consists of 98 one-bedroom units. Of the 98 revenue-generating units, 39 units will be reserved for households with incomes at or below 60% of AMI, 54 units will be reserved for households with incomes at or below 50% of AMI, and 5 units will be reserved for households with incomes at or below 30% of AMI. The development is a recipient of LIHTC allocation and therefore has satisfied the Energy Efficiency and Sustainability requirements of the QAP. Additionally, 78 units are expected to receive subsidy payments under the federal Housing Assistance Payment Program (Section 8 PBV Program) and 20 units are expected to receive subsidy payments under the Rental Assistance Demonstration Project Based Vouchers (Section 8 PBV Program). In the rehabilitation of the 8 story building, the scope of work will include remodeling 7 units into Type A units, 7 units into Adaptable (IAC) units, and 2 units into Sensory units such that 16 units will be altered to accommodate a variety of mobility and sensory disabilities. Additional accessibility work includes rehabilitating accessible common area spaces converting 56 units to FHA Type B assessable units, providing 10 Universal Design features in all units. In the new construction of the 3 story building at 1645 N. McAree Road in Waukegan, Illinois the scope of work will include 3 Type A units, 3 Adaptable (IAC) units, and 1 Sensory unit. In addition, all common areas will be accessible, 22 units will be FHA Type B, and will provide ten Universal Design features in all units.

Sustainability work involves installation of new Energy Star certified appliances; installation of LED light fixtures throughout; EPA WaterSense fixtures for toilets, showerheads, kitchen faucets, and bathroom faucets; and the new construction building will be certified through the Energy Star Multifamily New Construction program. For more information about the Series 2024C Financed Development, see below and APPENDIX B – “Certain Information Regarding the Series 2024C Loans.”

*Project Evaluation and Selection.* To advance the Authority’s mission to finance the creation and preservation of affordable housing throughout the State in order to increase the supply of decent and safe places for people of low or moderate means to live, the Authority issues bonds to finance mortgage or other loans to nonprofit corporations and limited-profit entities for the acquisition, construction or rehabilitation of dwelling accommodations. As part of its ongoing multifamily program and loan commitment process, the Authority reviews whether a project is expected to provide safe, quality housing at rent levels which low and moderate income individuals and families can afford. In addition, loan applicants must satisfy the Authority’s standards for closing and other requirements of the State that include energy efficiency standards and features. The Series 2024C Loans have satisfied the loan underwriting standards under the Authority’s Standards for Architectural Planning and Construction and are expected to receive LIHTC. See APPENDIX I – “Green Standards” for additional information on the Authority’s Standards for Architectural Planning and Construction.

*Management of Proceeds.* Net of certain transaction costs, the proceeds of the Series 2024C Bonds will be deposited in segregated accounts under the Indenture and invested in Permitted Investments until disbursed to finance the Series 2024C Loans. Such disbursements will be tracked by the Authority. See APPENDIX D – “Execution Copy of General Indenture” for additional information on Permitted Investments.

*Post-Issuance Reporting.* The Authority expects to provide annual updates, as of the last day of each calendar year commencing with calendar year 2024, regarding the disbursement of the proceeds of the Series 2024C Bonds to finance the Series 2024C Financed Development. The Authority expects that such annual updates will consist of the information outlined in APPENDIX J – “Form of Sustainability Bonds Annual Reporting”; the specific form and content of such updates are in the absolute discretion of the Authority. Once all proceeds of the Series 2024C Bonds have been disbursed, no further updates will be provided. While the Authority expects to post such annual updates as voluntary filings on the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”), this reporting is separate from the Authority’s obligations described under “CONTINUING DISCLOSURE” herein. Failure by the Authority to provide such updates is not a default or an event of default under the Indenture or the Continuing Disclosure Undertaking.

The term “Sustainability Bonds” is neither defined in nor related to provisions in the Indenture. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Sustainability Bonds is entitled to any additional security beyond that provided therefor in the Indenture. Holders of the Series 2024C Bonds do not assume any specific risk with respect to the Series 2024C Financed Development by reason of the Series 2024C Bonds being designated as Sustainability Bonds and such Series 2024C Bonds are secured on parity with all other Bonds issued and to be issued under the General Indenture.

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**Series 2024C Financed Development Summary**

| Project Name   | Physical Structure                            | Revenue Generating Units | Expected Unit Set-Aside Breakdown at or Below <sup>(1)</sup> |         |         |         |         |         |         |          |          | LIHTC Allocation | Subsidy Programs <sup>(2)</sup>                               | Expected Green Building Standards and Features <sup>(3)</sup>                                     |
|----------------|---|--------------------------|--|---------|---------|---------|---------|---------|---------|----------|----------|------------------|---|---|
|                |   |                          | 25% AMI  | 30% AMI | 40% AMI | 50% AMI | 60% AMI | 80% AMI | 90% AMI | 100% AMI | 110% AMI |                  |   |   |
| Ravine Terrace | one 8 story building and one 3 story building | 98                       | 0  | 5       | 0       | 54      | 39      | 0       | 0       | 0        | 0        | Yes              | Section 8 (78 units)<br>RAD Project Based Vouchers (20 Units) | ENERGY STAR certified appliances, LED lighting, EPA WaterSense fixtures, high efficiency furnaces |

<sup>(1)</sup> The Authority will enter into a Regulatory Agreement with respect to the Series 2024C Financed Development that requires a certain number of units in the project to be occupied by households with incomes at or below a specified percentage of AMI. The unit set-aside breakdown set forth above reflects the current expectation of the Authority; the final breakdown may differ.

<sup>(2)</sup> Subsidy programs that provide ongoing subsidy payments for the Series 2024C Financed Development include project-based Section 8 subsidies.

<sup>(3)</sup> For a description of the green standards and features, see APPENDIX I – “Green Standards.” The failure to meet (or exceed) a particular standard is not a default under the Series 2024C Financed Development.

## THE AUTHORITY

### Powers and Duties

The Authority is a body politic and corporate of the State of Illinois (the “*State*”) created by the Act for the purposes of assisting in the financing of decent, safe and sanitary housing for persons and families of low and moderate income in the State and assisting in the financing of residential mortgages in the State. To accomplish its purposes, the Authority is authorized by the Act to make mortgage or other loans to nonprofit corporations and limited-profit entities for the acquisition, construction or rehabilitation of dwelling accommodations, to make loans for housing related commercial facilities, to issue or provide for the issuance of obligations secured by or representing an ownership interest in residential mortgages, to acquire, and to contract and enter into advance commitments to acquire residential mortgage loans from lending institutions, and to develop and own rental housing developments. The Act also authorizes the Authority to issue its bonds and notes to fulfill its corporate purposes, including the financing of mortgage and construction loans, the acquisition of residential mortgage loans, the making of loans for housing related commercial facilities and the refunding of bonds and notes previously issued to finance mortgage and construction loans. The Authority has issued various bonds and notes to finance mortgage loans and construction loans, to purchase residential mortgage loans from lending institutions and to make loans to private lending institutions for making new residential mortgage loans.

The Authority has the power under the Act to have up to \$7,200,000,000 of bonds and notes outstanding, excluding those issued to refund its outstanding bonds and notes. As of June 30, 2024, the Authority had debt outstanding in the amount of \$6,288,503,192, which consisted of general obligation debt, special limited obligation debt and conduit debt. The conduit debt, which is special limited obligation debt, accounts for \$ 2,185,856,206 of the total as of that same date. See also APPENDIX A – “Audited Financial Statements of the Authority for the Fiscal Year Ended June 30, 2023.”

### Membership

The Authority consists of nine Members appointed by the Governor of the State (the “*Governor*”) with the advice and consent of the State Senate. The Act provides that not more than three Members may be from any one county in the State, not more than five must be of any one political party, and at least one must be a person of age 60 or older. Members hold office from the second Monday in January of the year of their respective appointments for a term of four years, and until their successors are appointed and qualified. The concurrence of five Members is required for action by the Authority. The Governor designates a Chairman from among the Members, and the Chairman is considered to be a Member for purposes of concurrence. The Chairman is the Authority’s chief executive officer. The Members of the Authority serve without compensation. The Authority has determined by resolution to indemnify its Members and officers for any actions taken or omitted to be taken in performing their duties, except actions or omissions which constitute gross negligence or malfeasance.

The Members of the Authority are:

| <u>MEMBERS</u>      | <u>OFFICE</u>   |
|---------------------|---|
| King Harris         | Chairman — Chairman, Harris Holdings  |
| Luz Ramirez         | Vice Chairman — Chief Administrative Officer, YWCA<br>Northwestern Illinois         |
| Salvatore Tornatore | Treasurer — Principal, Tornatore Law Office   |
| Sonia Berg          | Secretary — Realtor, Ruhl & Ruhl Realtors   |
| Brice Hutchcraft    | Member — Market President, First State Bank (Monticello)                            |
| Thomas Morsch       | Member — Managing Director, H2C Securities Inc.                                     |
| Daniel Hayes        | Member — Senior Director of Structured Debt, New York Life<br>Real Estate Investors |

MEMBERS

Erika Poethig

Member— Executive Vice President for Strategy and Planning, Civic Committee and Commercial Club of Chicago

Claire Leopold

Member – Co-Owner/Managing Broker, Nester Realty Inc.

OFFICE

**Management**

The Authority employs a staff of approximately 350 persons, including persons who have experience and responsibilities in the areas of finance, accounting, law, mortgage loan underwriting, loan servicing, housing development, market analysis, construction, housing marketing and housing management.

**KRISTIN FAUST**, Executive Director, was appointed Executive Director of the Authority on November 12, 2019, bringing more than 25 years of affordable housing industry experience to the Authority. As the state’s chief affordable housing official, Executive Director Faust provides leadership in state housing policy to advance the Authority’s mission of financing the creation and preservation of affordable housing throughout Illinois. Prior to joining the Authority, Executive Director Faust served as President of Neighborhood Housing Services of Chicago (NHS), a community development organization committed to helping homeowners and strengthening neighborhoods. As President, Ms. Faust’s strong leadership and holistic vision helped spur community revitalization by creating homeownership opportunities for those most vulnerable, improving not only their lives, but their neighborhoods as well. Before joining NHS, Executive Director Faust was Chief Credit Officer and Director of Lending & Network Services at Partners for the Common Good. In that role, she was responsible for the growth and oversight of the domestic and international loan portfolio. In addition, Executive Director Faust served as president of the Enterprise Community Loan Fund, one of the largest non-depository community development financial institutions in the country. Earlier in her career, Executive Director Faust spent fifteen years in community development banking in Chicago, primarily with LaSalle National Bank, where she started the Community Development Lending Department. Her work in Chicago earned her distinction in Crain’s Chicago Business “Forty Under 40” list. Ms. Faust is a graduate of Harvard University, where she obtained a Masters in City and Regional Planning and Brown University, where she holds a Bachelor of Arts in Political Science and Philosophy.

**LAWRENCE GRISHAM**, Assistant Executive Director/Chief of Staff, joined the Executive Staff of the Authority in October 2021. Prior to joining the Authority, Mr. Grisham oversaw the City of Chicago’s affordable housing programs and activities which included multifamily rental projects, single-family purchase/rehab assistance, foreclosure prevention/mitigation programs and housing preservation efforts. Financing tools included Low Income Housing Tax Credits, Donations Tax Credits, New Markets Tax Credits, tax exempt bonds, HOME/CDBG funds, TIF Funds and corporate funds. He also oversaw the Chicago Low Income Housing Trust Fund, which administers the largest locally-funded rental subsidy program for very low-income families in the country. Before working for Chicago, Mr. Grisham was a Senior Vice President at The Habitat Company where he managed the Community Development Group that focused on developing affordable and mixed income housing. Among his duties was the day-to-day management of Habitat’s duties as the court-appointed Gautreaux Development Manager for the development of all new family housing for the Chicago Housing Authority. Prior to joining The Habitat Company, Mr. Grisham was Senior Vice President for Operations for Bethel New Life, a long-established community development corporation on Chicago’s West Side. Mr. Grisham also worked for the City of Chicago in health planning and served as a Legislative Assistant to U.S. Senator Charles H. Percy and Congressman Ralph H. Metcalfe. While with Senator Percy, Mr. Grisham was instrumental in the passage of legislation that created the U.S. Department of Education. Mr. Grisham received a Master of Science in Human Services Administration from Spertus College and a Bachelor of Arts from Northwestern University.

**KAREN DAVIS**, Deputy Executive Director, joined the Authority in August of 2020. Ms. Davis most recently served as Vice-Chairman and Audit Committee Chair for the Illinois Housing Development Authority Board of Directors and the Executive Director of the Greater Peoria Local Initiatives Support Corporation (LISC), where she led a team dedicated to transforming distressed neighborhoods into healthy and sustainable communities of choice and opportunity. She has been passionately involved in community and economic development activities over the last 20 years, holding executive level positions within corporate America and with socially responsible not-for-profits focusing on strategic solutions to propel community and economic development initiatives. Before accepting the

position with Greater Peoria LISC, Ms. Davis was Director of the Office of Planning and Economic Development for the city of Springfield, Illinois where she oversaw the city planning initiatives for housing and business development. Prior to her position with the city of Springfield, Ms. Davis was Senior Vice President and Regional Community Affairs Manager of Regions Bank, where she directed community and economic development initiatives across the Midwest. In that role, Ms. Davis, with the help of designated staff, identified and promoted programs that fostered and spurred community and economic development in Illinois, Indiana, Missouri, Iowa, Kentucky, Texas, and Arkansas. Ms. Davis received both a Bachelor of Arts Degree in Management and a Master of Arts Degree in Community Development from the University of Illinois at Urbana-Champaign. Ms. Davis is also the Past President of the National Association of State Housing Boards (NCSHB).

**SETH RUNKLE**, Chief Financial Officer, became IHDA's Chief Financial Officer (CFO) in 2024, bringing extensive experience in bank management and executive leadership. Most recently Seth served as CFO for First Bankers Trust Company, N.A. Prior to this role, he served as CFO for the City and County of Denver's Department of Transportation and Infrastructure. Seth served 21 years with Citigroup in a variety of finance/accounting positions in the United States, Europe, and Latin America. Seth holds a bachelor's degree in Finance from Western Illinois University. Additionally, he served as Sergeant, 7th Battalion, 1st Field Artillery in the US Army Reserves.

**TRACY GRIMM**, Deputy Chief Financial Officer/Assistant Treasurer, joined the Authority in May 2005 and is an accomplished finance professional with more than 15 years of experience in Housing Finance Agency operations, previously holding senior roles as the Authority's Director of Homeownership, Assistant Director of Finance and Assistant Director of Loan and Portfolio Management. Among her key accomplishments in these roles, Ms. Grimm lead the design and implementation of in-house single-family pipeline interest rate risk management through the internalization of interest rate hedging, and effected the consolidation of loan servicing for \$800 million in IHDA loans from fifty different servicers to one. Prior to joining the Authority, Ms. Grimm held management and equity trading positions in the financial services industry, serving as the Manager of Operations at UBS Financial Services, the Associate Manager of Operations at RBD Dain Rauscher and as an Equity Trader at ABN AMRO Inc.

**KATHRYN FINN**, Deputy General Counsel and Interim General Counsel for the Authority, is responsible for the day-to-day management of the Legal Department's attorneys, paralegals and support staff, and serves as a key strategic advisor to the Authority's business departments on all aspects of the Authority's operations. Ms. Finn has over 25 years of legal experience in all areas of commercial real estate transactions, purchase and sales, finance, leasing, property management and development. She joined the Authority in her current position in 2015, having previously served as the Authority's Assistant General Counsel. Prior to joining the Authority, Kathryn was a partner in the Real Estate group of Bell, Boyd & Lloyd LLP (now K&L Gates LLP) and was managing counsel at Equity Office Properties. Kathryn earned her Bachelor of Arts degree and J.D. from the University of Wisconsin.

**MUHAMMAD JALALUDDIN**, Controller/Deputy Director of Accounting, joined the Authority in September of 2020 as the Assistant Controller. Mr. Jalaluddin was promoted to Deputy Controller/Director of Accounting in July of 2021 and was promoted to Controller in July of 2023. Mr. Jalaluddin is a licensed Certified Public Accountant (CPA), having started as a CPA in October in Colorado, 2009-present, and later in Illinois, 2019-present. Throughout his career, he has held various roles in accounting, demonstrating a deep understanding of accounting practices. Previously, he served as the Director of Financial Reporting at Brookfield Properties and as an Assistant Vice President, Manager of Financial Reporting at BMO Harris Bank. Mr. Jalaluddin holds an MBA and an undergraduate degree from Northern Illinois University. Mr. Jalaluddin has previously served as the Authority's Chief Accounting Officer.

The offices of the Authority are located at 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601. The telephone number of the Authority is (312) 836-5200.

## **THE SERIES 2024C BONDS**

### **Series 2024C Bonds**

The Series 2024C Bonds will mature in the years and in the amounts set forth on the inside cover of this Official Statement. The Series 2024C Bonds are issuable in the form of fully registered bonds in denominations of (i)

\$5,000 or any integral multiple of \$5,000 with respect to the Series 2024C-1 Bonds and (ii) \$100,000 or any integral of \$5,000 in excess thereof with respect to the Series 2024C-2 Bonds, as defined on the inside cover.

The Series 2024C-1 Bonds shall be dated the date of delivery and shall bear interest at the rates set forth on the inside cover from the date of issuance. Interest on the Series 2024C-1 Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2025 (the “Interest Payment Dates”), and also at maturity or earlier redemption.

The Series 2024C-2 Bonds shall be dated as of the date of their delivery, shall bear interest, payable on the Interest Payment Dates, from the date of issuance, to but not including, August 1, 2028 (the “Initial Mandatory Tender Date”) or earlier redemption date at the initial interest rate as set forth on the inside cover (the “Initial Interest Rate”). The Series 2024C-2 Bonds will be subject to mandatory tender (with no right of retention), subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All bondholders must tender their Series 2024C-2 Bonds for purchase on the Initial Mandatory Tender Date. Series 2024C-2 Bonds may be remarketed and a new interest rate for the Series 2024C-2 Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series 2024C-2 Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series 2024C-2 Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series 2024C-2 Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Interest on the Series 2024C Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The interest on the Series 2024C Bonds on an Interest Payment Date shall be payable to the Holder by check or draft mailed to such Holder’s address appearing on the Record Date (which is the fifteenth day of the month next preceding such Interest Payment Date), or upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2024C Bonds Outstanding, by wire transfer in immediately available funds to an account designated by such registered owner, which request will be effective for all dates on which interest is due until such notice is canceled by the registered owner. The principal and Redemption Price of the Series 2024C Bonds shall be payable at the designated corporate trust operations office of the Trustee. If the date for making any payment of principal or premium, if any, or interest on the Series 2024C Bonds, or the last date for performance of any act or the exercising of any right in connection with the Series 2024C Bonds is a legal holiday or a day on which banking institutions in the city where the Trustee is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

When issued, the Series 2024C Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2024C Bonds. Individual purchases of the Series 2024C Bonds will be made in book-entry-only form, and purchasers of Series 2024C Bonds will not receive certificates representing their interest in such Series 2024C Bonds. So long as Cede & Co. is the sole registered owner of the Series 2024C Bonds, references herein to the registered owners or the Series 2024C Bonds shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the Series 2024C Bonds. See “THE SERIES 2024C BONDS – Book-Entry-Only System.”

So long as the Series 2024C Bonds are registered in book-entry-only form, principal or Redemption Price, and interest on the Series 2024C Bonds will be payable to Cede & Co., as aforesaid.

### **Mandatory Tender**

All Outstanding Series 2024C-2 Bonds shall be subject to mandatory tender by the holder for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series 2024C-2 Bonds shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the Series 2024C-2 Bonds approved and established by the Authority and the



Remarketing Agent (as defined in the Series 2024C Indenture) in connection with a remarketing of the Series 2024C-2 Bonds pursuant to the Series 2024C Indenture.

While tendered Series 2024C-2 Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering holder thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series 2024C-2 Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series 2024C-2 Bonds had not been tendered for purchase.

Any Series 2024C-2 Bonds tendered pursuant to the Series 2024 Indenture will not be purchased if such Series 2024C-2 Bonds matures or is redeemed on or prior to the applicable Mandatory Tender Date.

The Trustee shall utilize the following sources of payments to pay the tender price of the Series 2024C-2 Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Series 2024C-2 Bonds deposited in the Series 2024 Remarketing Proceeds Sub-subaccount, to pay the principal amount, plus accrued interest, of Series 2024C-2 Bonds tendered for purchase, (ii) a pro-rata portion of amounts on deposit in the Series 2024C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount, to pay the principal amount of Series 2024C-2 Bonds tendered for purchase, (iii) amounts on deposit in the Series 2024 Debt Service Subaccount to pay the accrued interest, if any, on Series 2024C-2 Bonds tendered for purchase, if available for such purpose, (iv) a pro-rata portion of any available interest earnings on amounts on deposit in the Series 2024C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund available to pay the accrued interest, if any, on the Series 2024C-2 Bonds tendered for purchase and (v) any other eligible funds available or made available for such purpose as identified by the Borrower and approved by the Authority.

Series 2024C-2 Bonds shall be deemed to have been tendered for certain purposes pursuant to the Series 2024 Indenture whether or not the holder shall have delivered such undelivered Series 2024C-2 Bonds to the Trustee, and subject to the right of the holder of such undelivered Series 2024C-2 Bonds to receive the purchase price of such Series 2024C-2 Bonds and interest accrued thereon to the Mandatory Tender Date, such undelivered Series 2024C-2 Bonds shall be null and void. If such undelivered Series 2024C-2 Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series 2024C-2 Bonds in replacement thereof pursuant to the remarketing of such undelivered Series 2024C-2 Bonds.

#### **Mandatory Tender, Redemption or Retirement Notice**

Not less than 30 days preceding a Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the holder of the Series 2024C-2 Bonds then Outstanding (with a copy to the Remarketing Notice Parties) by first class mail, postage prepaid, at their respective addresses appearing on the register of the Trustee stating:

(i) the Mandatory Tender Date and that (a) if certain conditions are met, all Outstanding Series 2024C-2 Bonds are subject to mandatory tender for purchase or redemption or retirement on the Mandatory Tender Date, (b) all Outstanding Series 2024C-2 Bonds must be tendered for purchase or redemption or retirement no later than 12:00 p.m. Local Time on the Mandatory Tender Date and (c) holder will not have the right to elect to retain their Series 2024C-2 Bonds;

(ii) the address of the Designated Office of the Trustee at which holder should deliver their Series 2024C-2 Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series 2024C-2 Bonds will be purchased or redeemed or retired, as applicable, on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Series 2024C-2 Bonds plus interest accrued to the Mandatory Tender Date; and

(iv) that if, in the event that the conditions to remarketing are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the 2024 Series C Bonds on the Mandatory Tender Date, the 2024 Series C Bonds not remarketed will be redeemed or retired, without further notice, on the Mandatory Tender Date; and

(v) any Series 2024C-2 Bonds not tendered or presented for retirement or redemption will nevertheless be deemed to have been tendered, retired or redeemed and will cease to bear interest from and after the Mandatory Tender Date.

In the event that any Series 2024C-2 Bonds required to be delivered to the Trustee for payment of the purchase price, redemption price or retirement price of such Series 2024C-2 Bonds shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Series 2024C-2 Bonds at its address as shown on the Register setting forth the requirements set forth in the Series 2024C Indenture for delivery of the Series 2024C-2 Bonds to the Trustee and stating that delivery of the Series 2024C-2 Bonds to the Trustee (or compliance with the provisions of this Series 2024C Indenture concerning payment of lost, stolen or destroyed Series 2024C-2 Bonds) must be accomplished as a condition to payment of the purchase price redemption price or retirement price applicable to the Series 2024C-2 Bonds.

**Remarketing of Series 2024C-2 Bonds.** No later than 11:00 a.m. Local Time on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, which states the aggregate principal amount of Series 2024C-2 Bonds which are to be tendered or deemed to be tendered pursuant to the Series 2024C Indenture.

**Preliminary Conditions to Remarketing.** No later than 11:00 a.m. Local Time on the 45th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, that it elects to cause the Series 2024C-2 Bonds to be remarketed. A remarketing of the Series 2024C-2 Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) Notice by the Borrower to the Authority, the Remarketing Agent and the Trustee of the Remarketing Period pursuant to the Loan Agreement;

(ii) Delivery to the Authority, the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection as defined in the Series 2024C Indenture with respect to the proposed Remarketing Period; and

(iii) The Authority and the Borrower shall each have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, is necessary to be used in connection with the remarketing of the Outstanding Series 2024C-2 Bonds. The Borrower shall be obligated to provide the Authority such information as the Authority shall deem necessary for any such disclosure document or offering materials.

## **Redemption**

### *Optional Redemption of Series 2024C Bonds.*

The Series 2024C-1 Bonds are subject to redemption, at the option of the Authority, from any money available to the Authority for that purpose, in whole or in part, at any time on or after July 1, 2033 at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest, if any to the redemption date, without premium.

The 2024 Series C-2 Bonds are subject to optional redemption or retirement, in whole or in part, by the Authority on the later of (i) August 1, 2027 or (ii) any date on or after the date the Project is complete and placed in service by the Borrower (as evidenced by a certificate of occupancy for the Project delivered by the Borrower to the Trustee), at a redemption or retirement price equal to 100% of the principal amount of the 2024 Series C-2 Bonds plus accrued interest, but without premium, to the optional redemption date.

**Sinking Fund Redemption.** The Series 2024C-1 Bonds maturing on July 1, 2029 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to

100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2029        | \$30,000                             | July 1, 2029 <sup>†</sup> | \$30,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2030 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2030        | \$30,000                             | July 1, 2030 <sup>†</sup> | \$35,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2031 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2031        | \$35,000                             | July 1, 2031 <sup>†</sup> | \$35,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2032 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2032        | \$35,000                             | July 1, 2032 <sup>†</sup> | \$40,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2033 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2033        | \$40,000                             | July 1, 2033 <sup>†</sup> | \$40,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2034 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2034        | \$40,000                             | July 1, 2034 <sup>†</sup> | \$40,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2035 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2035        | \$40,000                             | July 1, 2035 <sup>†</sup> | \$40,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2036 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2036        | \$45,000                             | July 1, 2036 <sup>†</sup> | \$45,000                             |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2039 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND REQUIREMENT (\$)</u> |
|------------------------|--------------------------------------|---------------------------|--------------------------------------|
| January 1, 2037        | \$45,000                             | July 1, 2038              | \$50,000                             |
| July 1, 2037           | 45,000                               | January 1, 2039           | 50,000                               |
| January 1, 2038        | 50,000                               | July 1, 2039 <sup>†</sup> | 50,000                               |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2044 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> |
|------------------------|--|---------------------------|--|
| January 1, 2040        | \$55,000                                 | July 1, 2042              | \$55,000                                 |
| July 1, 2040           | 55,000                                   | January 1, 2043           | 60,000                                   |
| January 1, 2041        | 55,000                                   | July 1, 2043              | 60,000                                   |
| July 1, 2041           | 55,000                                   | January 1, 2044           | 60,000                                   |
| January 1, 2042        | 55,000                                   | July 1, 2044 <sup>†</sup> | 65,000                                   |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2049 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> |
|------------------------|--|---------------------------|--|
| January 1, 2045        | \$65,000                                 | July 1, 2047              | \$75,000                                 |
| July 1, 2045           | 65,000                                   | January 1, 2048           | 75,000                                   |
| January 1, 2046        | 70,000                                   | July 1, 2048              | 75,000                                   |
| July 1, 2046           | 70,000                                   | January 1, 2049           | 80,000                                   |
| January 1, 2047        | 70,000                                   | July 1, 2049 <sup>†</sup> | 80,000                                   |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2054 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> |
|------------------------|--|---------------------------|--|
| January 1, 2050        | \$80,000                                 | July 1, 2052              | \$90,000                                 |
| July 1, 2050           | 85,000                                   | January 1, 2053           | 95,000                                   |
| January 1, 2051        | 85,000                                   | July 1, 2053              | 95,000                                   |
| July 1, 2051           | 85,000                                   | January 1, 2054           | 95,000                                   |
| January 1, 2052        | 90,000                                   | July 1, 2054 <sup>†</sup> | 100,000                                  |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2059 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> |
|------------------------|--|---------------------------|--|
| January 1, 2055        | \$105,000                                | July 1, 2057              | \$115,000                                |
| July 1, 2055           | 105,000                                  | January 1, 2058           | 120,000                                  |
| January 1, 2056        | 105,000                                  | July 1, 2058              | 120,000                                  |
| July 1, 2056           | 110,000                                  | January 1, 2059           | 125,000                                  |
| January 1, 2057        | 115,000                                  | July 1, 2059 <sup>†</sup> | 125,000                                  |

<sup>†</sup>Maturity

The Series 2024C-1 Bonds maturing on July 1, 2068 are subject to mandatory redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024C-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

| <u>REDEMPTION DATE</u> | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> | <u>REDEMPTION DATE</u>    | <u>SINKING FUND<br/>REQUIREMENT (\$)</u> |
|------------------------|--|---------------------------|--|
| January 1, 2060        | \$130,000                                | July 1, 2064              | \$160,000                                |
| July 1, 2060           | 135,000                                  | January 1, 2065           | 165,000                                  |
| January 1, 2061        | 135,000                                  | July 1, 2065              | 170,000                                  |
| July 1, 2061           | 140,000                                  | January 1, 2066           | 175,000                                  |
| January 1, 2062        | 145,000                                  | July 1, 2066              | 180,000                                  |
| July 1, 2062           | 145,000                                  | January 1, 2067           | 180,000                                  |
| January 1, 2063        | 150,000                                  | July 1, 2067              | 190,000                                  |
| July 1, 2063           | 155,000                                  | January 1, 2068           | 190,000                                  |
| January 1, 2064        | 160,000                                  | July 1, 2068 <sup>†</sup> | 460,000                                  |

<sup>†</sup>Maturity

*Mandatory Redemption of Series 2024C-1 Bonds.* The Series 2024C-1 Bonds are subject to mandatory redemption in whole or in part not later than thirty days after August 1, 2028 or such later date that does not impact the then current rating on the 2024 Series C Bonds at a redemption price of 100% of the principal amount of the Series 2024C-1 Bonds to be redeemed plus accrued interest to the date of redemption in the event that the Series 2024C Risk Share Loan Note is not endorsed for insurance by FHA on or prior to such date.

At any time prior to the date on which notice of redemption pursuant to the Series 2024C Indenture must be given, the Series 2024C Borrower may extend the applicable mandatory redemption date by (i) providing written notice to the Authority and the Trustee of any extension of such mandatory redemption date, (ii) depositing Available Moneys for the credit of the Series 2024C-1 Bonds Interest Account in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Series 2024C-1 Bonds to the extended mandatory redemption date (the “Extension Deposit”), (iii) delivering to the Authority and the Trustee a cash flow projection establishing the sufficiency of the Extension Deposit, and (iv) delivering to the Trustee a confirmation of the rating of the then-current rating on the Series 2024C-1 Bonds. Extension Deposits may continue to be made by or on behalf of the Series 2024C Borrower until the date on which such deposits may no longer be made under the Series 2024 Risk Share Loan Agreement or the Series 2024C Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to the Series 2024C Indenture; provided, however, the mandatory redemption date may not be extended unless prior to any extension beyond such date there shall be filed with the Trustee and the Authority, a Bond Counsel Opinion to the effect that such extension will not adversely affect the exclusion of interest on the Series 2024C-1 Bonds from gross income for federal income tax purposes.

The Series 2024C-1 Bonds are subject to mandatory redemption in part on the earliest practicable date following the transfer of amounts to the Redemption Fund at the direction of the Authority pursuant to the Series 2024C Collateralized Loan Agreement.

*Mandatory Redemption or Retirement of Series 2024C-2 Bonds.* The Series 2024C-2 Bonds are subject to mandatory redemption or retirement in whole or in part, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Authority has not received a request from the Borrower to elect pursuant to the Series 2024C Indenture to cause the remarketing of the Series 2024C-2 Bonds, (ii) the conditions to remarketing set forth in the Series 2024C Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Series 2024 Remarketing Proceeds Sub-subaccount at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series 2024C-2 Bonds on such Mandatory Tender Date. The Series 2024C-2 Bonds shall be redeemed or retired at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the applicable redemption date from funds on deposit in, or transferred from, applicable amounts on deposit in the Series 2024C-2 Bonds Cash Collateral Sub-subaccount, the Series 2024C-2 Bonds Collateralized Loan Sub-subaccount, the Series 2024 Account of the Revenue Fund, to the extent available for such purpose, and the Series 2024 Debt Service Account of the Revenue Fund, to the extent available for such purpose.

*Special Redemption.* The Series 2024C Bonds are also subject to special redemption at the option of the Authority, in any order of maturity as determined by the Authority, and within a maturity by lot, at any time, in whole or in part, at their principal amount plus accrued interest, if any, to the date fixed for redemption, from the following sources:

- (i) Loan Prepayments and Recovery Payments with respect to any Loans, which the Loan Prepayments may include, without limitation, voluntary prepayments from proceeds of any Loans made by the Authority, including Loans financed by other Bonds or other obligations of the Authority and may also include money received upon a voluntary sale or disposition by the Authority of a Loan not in default, including a sale to secure obligations of the Authority other than Bonds;
- (ii) payments made by the Authority, to the extent Loan Prepayments or Recovery Payments (excluding, in each case, amounts received for Bond redemption premium or other redemption costs) to be used to redeem Series 2024C Bonds are less than the Outstanding principal amount of the Bonds that financed the portion of the Loans with respect to which that Loan Prepayment or Recovery Payment was received;
- (iii) money available from a reduction in the Reserve Requirement;
- (iv) available funds (including excess Revenues) under the Indenture, upon filing of a Compliance Certificate or Cash Flow Certificate, as appropriate, in accordance with the Indenture; and
- (v) any moneys remaining in the 2024 Series C Account of the Program Fund which are not applied to the financing of the Series 2024C Loan.

*Selection of Bonds to be Redeemed.* If less than all of the Series 2024C Bonds are redeemed pursuant to an “Optional Redemption” or a “Special Redemption,” as described above, the amounts and maturities of the Series 2024C Bonds to be so redeemed shall be selected by the Authority and within a specific maturity by lot or in accordance with the procedures of the Securities Depository.

*Notice of Redemption.* For any redemption of the Series 2024C Bonds described under “THE SERIES 2024C BONDS – Redemption – Optional Redemption” and “– Special Redemption” above, the Trustee will give notice of redemption by Electronic Means, first class mail, postage prepaid, not more than 60 days nor less than 20 days prior to the specified Redemption Date, to the registered owner of the Series 2024C Bond, or portions thereof, to be redeemed at the address of such registered owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of an optional redemption, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient

moneys to redeem the Series 2024C Bonds, and such notice and optional redemption shall be of no effect if by no later than the scheduled Redemption Date, sufficient moneys to redeem the Series 2024C Bonds have not been deposited with the Trustee, or, if such moneys deposited, are not available. The Trustee will cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Owner who has not submitted its Series 2024C Bond to the Trustee for payment. Failure to mail such notice of redemption to any registered owner of any Series 2024C Bond or any defect in such notice will not affect the validity of the redemption of any other Series 2024C Bond for which the required notice was given. Any failure on the part of DTC or failure on the part of a nominee of a beneficial owner of Series 2024C Bonds to notify the beneficial owner of the redemption of the Series 2024C Bond shall not affect the validity of the redemption. If notice of redemption shall have been given as aforesaid, and if on the redemption date monies for the redemption of all Series 2024C Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payments, then from and after the redemption date interest on such Series 2024C Bonds or portions thereof shall cease to accrue and become payable.

### **Purchase in Lieu of Redemption**

Series 2024C Bonds that are called for redemption may be purchased in lieu of redemption, at the option of the Authority from any funds available to the Authority, in whole or in part, on the Redemption Date, at the principal amount thereof plus accrued interest, if any, to the Redemption Date for such Bonds scheduled to be redeemed. Purchase in lieu of redemption shall be available for all of the Series 2024C Bonds of a series that have been called for redemption or for such lesser portion of such Series 2024C Bonds as constitute Authorized Denominations. The Authority may direct the Trustee to purchase all or such lesser portion of the Series 2024C Bonds so called for redemption.

### **Additional Bonds**

Under the General Indenture, the Authority may issue Additional Bonds on parity with the Outstanding Bonds by issuance of a separate Series Indenture. Additional Bonds may only be issued upon filing of a Rating Certificate with the Trustee. See APPENDIX D – “Execution Copy of General Indenture.”

The Series 2024C Bonds will be the twenty-first Series of parity Bonds issued under the General Indenture. The Authority has previously issued its (i) \$41,550,000 Multifamily Revenue Bonds, 2019 Series A (Non-AMT), (ii) \$5,750,000 Multifamily Revenue Bonds, 2020 Series A (Non-AMT), (iii) \$2,935,000 Multifamily Revenue Bonds, 2020 Series B (Non-AMT), (iv) \$1,650,000 Multifamily Revenue Bonds, 2020 Series C (Non-AMT), (v) \$1,695,000 Multifamily Revenue Bonds, 2020 Series D (Taxable), (vi) \$84,895,000 Multifamily Revenue Bonds, 2021 Series A (Non-AMT), (vii) \$28,700,000 Multifamily Revenue Bonds, 2021 Series B (Non-AMT), (viii) \$78,005,000 Multifamily Revenue Bonds, 2021 Series C (Non-AMT), (ix) \$21,810,000 Multifamily Revenue Bonds, 2022 Series A (Non-AMT), (x) \$10,815,000 Multifamily Revenue Bonds, 2022 Series B (Non-AMT) (Sustainability Bonds), (xi) Series 2022C Bonds, (xii) \$8,640,000 Multifamily Revenue Bonds, 2023 Series A (Non-AMT), (xiii) \$17,070,000 Multifamily Revenue Bonds, 2023 Series B (Non-AMT) (Sustainability Bonds), (xiv) Series 2023C Bonds, (xv) \$4,840,000 Multifamily Revenue Bonds, 2023 Series D (Non-AMT), (xvi) \$12,940,000 Multifamily Revenue Bonds, 2023 Series E (Non-AMT), (xvii) \$6,600,000 Multifamily Revenue Bonds, 2023 Series F (Taxable), (xviii) \$8,100,000 Multifamily Revenue Bonds, 2023 Series G (Non-AMT), (xix) Series 2024A Bonds, and (xx) Series 2024B Bonds all of which are fixed rate bonds except the Series 2022C Bonds, Series 2023C Bonds, Series 2024A Bonds which are variable rate bonds and all currently remain outstanding.

The Authority has also previously issued three series of its Multifamily Revenue Bonds, each of which series was issued as Separately-Secured Bonds under the General Indenture and related Series Indenture and does not constitute Bonds Outstanding under the General Indenture.

### **Book-Entry-Only System**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2024C Bonds. The Series 2024C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of



DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2024C Bonds in the aggregate principal amount of such series and maturity, and will be deposited with DTC, or its custodial agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants includes both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2024C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024C Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2024C Bond (each, a "*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024C Bonds, except in the event that use of the book-entry system for the Series 2024C Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024C Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024C Bonds within a single maturity of a series of the Series 2024C Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024C Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024C Bond certificates are required to be printed and delivered for the affected Series 2024C Bonds.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024C Bond certificates will be printed and delivered for the affected Series 2024C Bonds.

The information in this section concerning DTC and DTC's book-entry system has been furnished by DTC. Such information is believed to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

NEITHER THE TRUSTEE NOR THE AUTHORITY SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2024C BONDS UNDER OR THROUGH DTC OR ANY PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER OF SERIES 2024C BONDS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF, REDEMPTION PRICE OR PURCHASE PRICE, IF ANY, OR INTEREST ON THE SERIES 2024C BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO REGISTERED OWNERS OF THE SERIES 2024C BONDS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2024C BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE SERIES 2024C BONDS.

If the Book-Entry-Only System is discontinued and Series 2024C Bond certificates have been delivered, the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of such Series 2024C Bonds. Thereafter, Series 2024C Bonds may be exchanged for an equal aggregate principal amount of such Series 2024C Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Series 2024C Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Series 2024C Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2024C Bonds.

**PLAN OF FINANCE**

**Sources and Uses of Funds**

The proceeds of the Series 2024C Bonds and other amounts are estimated to be applied as follows (rounded to the nearest dollar):

|   |                 |
|---|-----------------|
| <b>SOURCES OF FUNDS</b>   |                 |
| Proceeds of Series 2024C-1 Bonds .....  | \$7,400,000.00  |
| Proceeds of Series 2024C-2 Bonds .....  | 22,600,000.00   |
| Series 2024C Authority’s Contribution of Other Funds.....                                     | 18,000.00       |
| Series 2024C Borrower’s Contribution of Other Funds.....                                      | 646,643.39      |
| TOTAL .....   | \$30,664,643.39 |
| <br><b>USES OF FUNDS</b>  |                 |
| Deposit to 2024 Series C-1 Bonds Collateralized Loan Sub-<br>subaccount of Program Fund ..... | \$7,400,000.00  |
| Deposit to 2024 Series C-2 Bonds Collateralized Loan Sub-<br>subaccount of Program Fund ..... | 22,600,000.00   |
| Deposit to Series 2024 Account of Reserve Fund.....   | 248,339.00      |
| Costs of Issuance <sup>†</sup> .....  | 416,304.39      |
| TOTAL .....   | \$30,664,643.39 |

<sup>†</sup>Includes Underwriters’ compensation.

In addition to the proceeds of the Series 2024C Bonds, the Series 2024C Borrower will finance a portion of the acquisition, construction, rehabilitation and equipping of the Series 2024C Financed Development from an equity contribution from the investor member of the Series 2024C Borrower (resulting in a low income housing tax credit to such investor member), the IHDA Subordinate Loan, the Lake County HOME Loan, the IAHTC Proceeds Loan, and the Seller Loan (each as defined below) and a Bridge Loan (as defined below).

*Bridge Loan.* The Bridge Lender has agreed, pursuant to that certain Construction Loan and Security Agreement, dated July 17, 2024 (“*Construction Loan and Security Agreement*”), between the Bridge Lender and the Series 2024C Borrower, to fund an aggregate principal amount not to exceed \$30,000,000 (“*Bridge Loan*”), which will be available for deposit to the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund established under the Series 2024C Indenture (“*Cash Collateral Subaccount*”) as disbursements are made on the Series 2024C Collateralized Loan. Under the terms of the Series 2024C Indenture, a portion of the proceeds of the Series 2024C Bonds will be disbursed to fund the Series 2024C Collateralized Loan only if at the time of each such disbursement, the Authority and the Bridge Lender have approved funding a disbursement for the related draw request under the Bridge Loan, and an amount equal to such disbursement is deposited into the Cash Collateral Subaccount. Amounts on deposit in the Cash Collateral Subaccount will comprise a portion of the Trust Estate and may only be used to pay the principal of and interest on the Series 2024C Bonds or released back to Bridge Lender upon payment in full of the Series 2024C Collateralized Loan, as further provided in the Series 2024C Indenture. The Bridge Lender will hold the first-lien mortgage on the Series 2024C Borrower’s fee interest in the Series 2024C Financed Development during the construction phase of the Project. At conversion, \$7,400,000 of the Series 2024C Collateralized Loan becomes the 2024C Risk Share Loan and the first lien mortgage held by the Bridge Lender is replaced with the Risk Share mortgage on the Series 2024C Financed Development. The 2024C Risk Share Loan will be secured during the permanent loan phase of the Project by a first-lien mortgage on the Series 2024C Financed Development. Since the Risk Share mortgage is recorded at initial closing, the Authority and the Bridge Lender will enter into a certain Subordination Agreement clarifying the priorities between the mortgages (the “*Subordination Agreement*”).

*The IHDA Subordinate Fund Loan.* The Authority has agreed to fund an aggregate amount equal to \$1,265,000 in connection with the rehabilitation, construction and equipping of the Series 2024C Financed Development (the “*IHDA Subordinate Loan*”). The IHDA Subordinate Loan is not part of the Trust Estate.

*The IAHTC Proceeds Loan.* The Project will also utilize an IAHTC proceeds loan in the principal amount of \$6,180,750 (the “*IAHTC Proceeds Loan*”). The obligation to repay the IAHTC Proceeds Loan will be set forth in a promissory note (the “*IAHTC Proceeds Note*”) from the Series 2024C Borrower to the Waukegan Housing Authority, and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The IAHTC Proceeds Note will be secured by a fourth position mortgage on the Project (the “*IAHTC Proceeds Mortgage*”). The IAHTC Proceeds Note will have a final maturity of July 1, 2076 and will not bear interest with annual payments contingent on Project cash flow, with all principal not otherwise paid, due at maturity, all as set forth in the IAHTC Proceeds Note. The IAHTC Proceeds Loan is not part of the Trust Estate.

*The Lake County HOME Loan.* The Project will also utilize a HOME loan from Lake County in the principal amount of \$1,171,702 (the “*Lake County HOME Loan*”). The obligation to repay the Lake County HOME Loan will be set forth in a promissory note (the “*HOME Note*”) from the Series 2024C Borrower to Lake County and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The HOME Loan Note will be secured by a third-position mortgage on the Project (the “*HOME Loan Mortgage*”). The HOME Loan Note will have a final maturity of July 1, 2074 and will not bear interest, with annual principal not otherwise paid, due at maturity. The HOME Loan is not part of the Trust Estate.

*The Seller Loan.* The Project will also utilize a seller loan in the principal amount of \$13,400,000 (the “*Seller Loan*”). The obligation to repay the Seller Loan will be set forth in a promissory note (the “*Seller Note*”) from the Series 2024C Borrower to CDA Housing, Inc., an Illinois not-for-profit corporation (“*CDA*”) and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The Seller Note will be secured by a fifth-position mortgage on the Project (the “*Seller Mortgage*”). The Seller Note will have a final maturity of July 1, 2076 and will bear interest at long term Applicable Federal Rate, with annual principal and interest not otherwise paid, due at maturity. The Seller Loan is not part of the Trust Estate.

*Deferred Developer Fee.* The Project will utilize a deferred developer fee in the anticipated amount of \$4,400,000. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

## **Use of Proceeds**

Proceeds of the Series 2024C Bonds, together with other funds available to the Authority from the Series 2024C Borrower as described above, will be used to fund the Series 2024C Loans and to make the deposits and payments set forth above under “PLAN OF FINANCE – Sources and Uses of Funds.” The proceeds of the Series 2024C Loans, together with other moneys available to the Series 2024C Borrower as described herein, will be used to finance a portion of the acquisition, construction, rehabilitation and equipping of the Series 2024C Financed Development.

## **The Series 2024C Loans**

*Description.* The Series 2024C Risk Share Loan is expected to be originated in an aggregate principal amount of \$7,400,000 for the financing of a portion of the permanent financing of the Series 2024C Financed Development. It is anticipated that the Series 2024C Borrower will enter into a Loan Agreement (the “*Risk Share Loan Agreement*”) with the Authority, which shall set forth the terms of the Series 2024C Risk Share Loan during the permanent loan phase of the Project.

The Series 2024C Collateralized Loan is expected to be originated in an aggregate principal amount of \$30,000,000 for the financing of a portion of the Series 2024C Financed Development. It is anticipated that the Series 2024C Borrower will enter into a Loan Agreement (the “*Collateralized Loan Agreement*”) with the Authority which sets forth the terms of the Series 2024C Collateralized Loan during the construction loan phase of the Project.

See APPENDIX B – “Certain Information Regarding the Series 2024C Loans” for a table of the significant details of the Series 2024C Loans.

*Loan Terms.* The Series 2024C Risk Share Loan is expected to pay interest monthly at a rate of 5.85% per annum (including a servicing fee and mortgage insurance premium as described below), calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2024C Risk Share Loan is expected to amortize over 40 years commencing on the first (1st) day of the first (1st) month following the Final Closing Date (as defined in the Risk Share Loan Agreement). The Series 2024C Risk Share Loan is expected to have a maturity date of December 1, 2066, but no later than August 1, 2068.

The Series 2024C Collateralized Loan will accrue interest monthly at a rate of 3.60% per annum, except that the Series 2024C-1 Amount will accrue interest at a rate of 4.80% per annum to but excluding the Conversion Date and will accrue interest at a rate of 5.85% from the Conversion Date until the maturity date (including a servicing fee as described below), calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2024C Collateralized Loan will have a maturity date of July 1, 2068, but may be prepaid on or after the Optional Prepayment Date.

*Conversion of the Risk Share Loan to the Permanent Phase.* The Series 2024C-1 Amount, as defined in the Series 2024C Indenture, of the Series 2024C Risk Share Loan will convert to the permanent phase on the Conversion Date and continuing through the maturity of the Series 2024C Risk Share Loan (the “Permanent Phase”), provided that the Conversion Date must occur, if at all, on or before the Final Closing Date, as defined in the Risk Share Loan Agreement. The Borrower agrees to act diligently and in good faith to see that the Conversion Date occurs on the Final Closing Date. If the Conversion Date occurs before the Final Closing Date, the Series 2024C-1 amount of the Loan will convert to the Permanent phase on the Final Closing Date. If the Conversion Date (as such date may be extended from time to time by the Issuer), does not occur on the Final Closing Date deadline the Series 2024C Risk Share Loan will be subject to mandatory prepayment in accordance with a mandatory redemption of the 2024 Series C Bonds as described herein if so directed by the Issuer.

*FHA Risk-Sharing Insurance.* The Series 2024C Risk Share Loan is expected to be insured by FHA under the Risk-Sharing Program during the permanent loan phase of the Project. Final endorsement for such FHA insurance is expected to be received at conversion of the Series 2024C Financed Development to its Permanent Phase. Such insurance provides for payment of 100% of the unpaid principal of the Series 2024C Risk Share Loan as of the date of default and interest on the Series 2024C Risk Share Loan from the date of default to the date of the initial claim payment; provided that the amount of interest paid will reflect the payment of interest in arrears. The Authority has agreed to reimburse HUD for 50 percent of the payments made by HUD, with respect to the Series 2024C Loan. See APPENDIX F – “FHA Risk-Sharing Program.”

*Loan Servicing.* The Series 2024C Risk Share Loan and the Series 2024C Collateralized Loan will be serviced by the Authority and a servicing fee in the amount of 0.25% per annum payable to the Authority is included in the above-noted interest rates on the Series 2024C Risk Share Loan and the Series 2024C Collateralized Loan, and such rate on the Series 2024C Risk Share Loan also includes a mortgage insurance premium of .25% per annum; which servicing fees and mortgage insurance premium are not pledged under the Indenture. Prior to the Authority making any disbursements to the Series 2024C Borrower under the Series 2024C Risk Share Loan or the Series 2024C Collateralized Loan, the conditions for disbursement must be satisfied pursuant to the Risk Share Loan Agreement or the Collateralized Loan Agreement, respectively. Interest and principal payments under the Series 2024C Risk Share Loan and the Series 2024C Collateralized Loan will be made to the Authority (to be thereupon transferred to the Trustee, net of such servicing fees and mortgage insurance premium) pursuant to the Risk Share Loan Agreement and the Collateralized Loan Agreement, respectively.

*Prepayment.* Under the Risk Share Loan Agreement, the Series 2024C Borrower and the Authority will agree that the Series 2024C Risk Share Loan may not be prepaid in whole or in part at the option of the Series 2024C Borrower at any time prior to fifteen (15) years from the anniversary of the Commencement of Amortization (as defined in the Risk Share Loan Agreement), which anniversary is currently expected to be December 1, 2041 (the “Lockout Date”). (However, the Authority may waive a prohibition on prepayments contained in any Loan.)

The Series 2024C Collateralized Loan is not subject to prepayment prior to the later of August 1, 2026 and the date that the Project is complete and placed in service (the “Optional Prepayment Date”). On and after the Optional Prepayment Date, the Series 2024C Collateralized Loan may be prepaid by the Borrower in whole or in part on any Business Day determined by the Borrower, without penalty, provided that the date the Project is complete and placed in service by the Borrower, which will be evidenced by a certificate of occupancy for the Project delivered by the Borrower to the Trustee, accompanied by a letter from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

*Section 42 Compliance Period.* Under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), the Series 2024C Financed Development is subject to affordable rent restrictions for 15 years after (i) the “placed in service” date, or (ii) the year following the “placed in service” date at the owner’s election. Based on the construction schedule for the Series 2024C Financed Development, the latest “placed in service date” for the Series 2024C Financed Development is projected to be April 27, 2026. See APPENDIX B – “Certain Information Regarding the Series 2024C Loans.”

*“Due on Sale” Provisions.* The Series 2024C Risk Share Loan does not contain “due on sale” clauses restricting sale or transfer of the mortgaged property.

*Assumability.* The Series 2024C Risk Share Loan may be assumed, subject to HUD review and approval, upon the sale of the Series 2024C Financed Development.

*Lien on Fee Simple Estate.* The 2024C Risk Share Loan will be secured during the permanent loan phase of the Project by a first-lien mortgage on the Series 2024C Financed Development. Since the Risk Share mortgage is recorded at initial closing, the Authority and the Bridge Lender will enter into a certain Subordination Agreement clarifying the priorities between the mortgages.

### **Series 2024C Risk Share Loan**

The Series 2024C Risk Share Loan, from and after conversion of the Series 2024C Financed Development to its Permanent Phase, will be insured by the FHA pursuant to the Risk-Sharing Program established by HUD of 100% of the unpaid principal balance of the Series 2024C Risk Share Loan as of the date of default and interest on Series 2024C Risk Share Loan from the date of default to the date of the initial claim payment. Insurance payments received from HUD pursuant to the Risk-Sharing Program with respect to the Series 2024C Risk Share Loan are further pledged as security for the payment of the Bonds. To the extent permitted by law, including applicable HUD regulations, while the Series 2024C Bonds are outstanding, the Authority agrees to name the Trustee as payee with respect to any claims for Risk-Sharing Insurance proceeds relating to the Series 2024C Risk Share Loan or to otherwise provide that such proceeds are delivered to the Trustee for deposit under the Indenture. As described above, the Series 2024C-1 Amount, as defined in the Series 2024C Indenture, of the Series 2024C Risk Share Loan will convert to the Permanent Phase on the Conversion Date, if certain conditions are met, at which time, the promissory note evidencing the Series 2024C Collateralized Loan will be cancelled and replaced by the Series 2024C Risk Share Loan Note, pursuant to the Series 2024C Collateralized Loan Agreement and the Risk Share Loan Agreement. Pursuant to the Risk Share Loan Agreement, the conditions precedent for the conversion of the Series 2024C Risk Share Loan to the Permanent Phase includes, among other things, that:

- (1) No event has occurred, and no circumstance exists that, with the passage of time, would constitute a default under the Loan Documents.
- (2) Borrower must be current on all payment obligations with respect to the Series 2024C Bonds.
- (3) There have not been any material adverse changes in the condition, financial or otherwise, in the Borrower, its principals, the Guarantor, or the Series 2024C Financed Development.
- (4) At least 90% of the units in the Series 2024C Financed Development must have been leased for at least ninety (90) consecutive days.

(5) Borrower shall have maintained a debt service coverage ratio of at least 1.11:1.0 for at least three (3) consecutive months.

(6) Construction has been completed and permanent certificates of occupancy from the City of Waukegan have been provided.

(7) A final ALTA as-built survey of the development and an updated Lender policy are provided to IHDA.

(8) A final cost certification are provided to the Authority.

If the Borrower is found to be in default under the Risk Share Loan Agreement, the Authority has the ability to terminate the Risk Share Loan Agreement and thereby withdraw their commitment to provide financing for the Permanent Phase. The following events would constitute a Borrower event of default under the Risk Share Loan Agreement: (i) the Authority determines that the construction does not conform with the plans and specifications and the Borrower fails to cause the construction to be timely completed; (ii) the Borrower fails to make the contributions of equity to the Series 2024C Financed Development at the times and in the amounts set forth in the Borrower's Operating Agreement; (iii) the Borrower fails to achieve the debt service coverage ratio and is delinquent on its debt service payments; or (iv) the Borrower fails to comply with the affordability requirements and other requirements of the Regulatory Agreement See "SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF PAYMENT" below. In the event the Authority elects to terminate the Risk Share Loan Agreement, it may use and apply any funds deposited with it by the Series 2024C Borrower, regardless of the purpose for which such funds were deposited, subject to the requirements of the General Indenture and the Series 2024C Indenture and applicable law.

#### **Funding of Series 2024C Collateralized Loan**

The Authority will disburse the proceeds of Series 2024C Collateralized Loan pursuant to the Collateralized Loan Agreement and in accordance with the Indenture and the Series 2024C Indenture. The following is a summary of certain provisions of the Collateralized Loan Agreement.

(1) Series 2024C Borrower agrees to (a) rehabilitate, construct, and equip the Series 2024C Financed Development with all reasonable dispatch and in substantial accordance with the Plans and Specifications, (b) pay when due all fees, costs and expenses incurred in connection with the rehabilitation and equipping from funds made available therefor in accordance with the Collateralized Loan Agreement or otherwise, except to the extent being contested in good faith, and (c) ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the rehabilitation and equipping of the Series 2024C Financed Development, and enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto.

(2) The portion of the proceeds of the Series 2024C Bonds in the amount of the Series 2024C Collateralized Loan will be deposited in the Series 2024 Collateralized Loan Subaccount established by the Series 2024C Indenture ("*Collateralized Loan Subaccount*") and therein, a 2024 Series C-1 Bonds Collateralized Loan Subaccount and a 2024 Series C-2 Bonds Collateralized Loan Subaccount. So long as the Series 2024C Collateralized Loan has not been declared due and payable due to the occurrence of an event of default under the Collateralized Loan Agreement, disbursements from the Collateralized Loan Subaccount shall be made only to pay any of the following Project Costs:

(a) costs incurred directly or indirectly for or in connection with the rehabilitation and equipping of the Series 2024C Financed Development,

(b) premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Series 2024C Financed Development,

(c) taxes, assessments and other governmental charges in respect of the Series 2024C Financed Development that may become due and payable during the construction period,

(d) costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) any other costs, expenses, fees and charges properly chargeable to the cost of rehabilitation, improvement and equipping of the Series 2024C Financed Development,

(f) payment of interest on the Series 2024C Collateralized Loan and the Bridge Loan during the construction period, and

(g) permissible fees, charges and expenses relating to issuance of the Series 2024C Bonds and other items specified in the Collateralized Loan Agreement.

Any disbursements from the Collateralized Loan Subaccount shall be made by the Trustee only as permitted pursuant to the Series 2024C Indenture upon the written request of the Series 2024C Borrower executed by an Authorized Series 2024C Borrower Representative, which requests shall be consecutively numbered and accompanied by invoices or other appropriate documentation supporting the payments or reimbursements requested and must be approved by the Authority. Except in the case of a direct disbursement of Bridge Loan proceeds by the Bridge Lender, no disbursement shall be made by the Trustee unless (1) at the time of such disbursement, the Authority has approved funding a disbursement for draw request under the Series 2024C Collateralized Loan and an amount equal to such disbursement has been deposited into the Cash Collateral Subaccount, and (2) all Loan Payments that are then due shall have been paid.

The Bridge Loan proceeds may be disbursed directly by the Bridge Lender at the direction of the Series 2024C Borrower for the payment of costs of the Project and an amount equal to such disbursement will be deemed to have been deposited to the Cash Collateral Account of the Revenue Fund held under the Series 2024C Indenture and no longer allocable to the Series 2024 Collateralized Loan Subaccount held under the Series 2024C Indenture.

(3) Series 2024C Borrower shall notify the Authority promptly upon the completion of construction of the Series 2024C Financed Development.

(4) An event of default occurs under the Collateralized Loan Agreement if Series 2024C Borrower, (1) fails to make a Loan Payment, (2) fails to observe any covenant or agreement contained in the Collateralized Loan Agreement, (3) breaches a representation or warranty made by it in the Collateralized Loan Agreement or any report, certificate statement or other instrument delivered by it pursuant to the Collateralized Loan Agreement, or (4) becomes insolvent or is the subject of an insolvency proceeding or if there occurs an "Event of Default" under the Tax Regulatory Agreement entered into by the Authority and Series 2024C Borrower. Following the occurrence of an event of default under the Collateralized Loan Agreement, the Authority may accelerate payment of the Series 2024C Collateralized Loan and may pursue other remedies existing in law or in equity.

### **The Series 2024C Financed Development**

*General.* The Series 2024C Financed Development will be a multifamily residential housing development containing ninety-eight (98) one bedroom units. These will be mixed income units of housing for multi-generational living and community amenities. The Series 2024C Financed Development, which will be owned by the Series 2024C Borrower, will be known as the Ravine Terrace. Ravine Terrace is an existing ninety-eight (98) public housing development located on the southeast side of Waukegan at 200 S. MLK Jr. Avenue. The existing development consists of one eight-story elevator building with fifty-six (56) studios and forty-two (42) one bedrooms. The proposed development will combine all fifty-six (56) studios, such that the rehabilitation site (200 S. MLK Jr. Ave) will consist of seventy (70) one-bedrooms units post- rehabilitation. Twenty-eight (28) new construction one-bedroom units will



be constructed at a separate site located at 1645 N. McAree Road approximately 2.3 miles northwest of the eight-story existing structure. Both sites will contain residential housing for low and moderate income families housing. In particular, the Series 2024C Financed Development will consist of 98 revenue generating units, of which, 39 units will be reserved for households with incomes at or below 60% of AMI, 54 units will be reserved for households with incomes at or below 50% of AMI, and 5 units will be reserved for households with incomes at or below 30% of AMI.

Rehabilitation on the Series 2024C Financed Development is expected to commence in July of 2024, and be completed by April 27, 2026.

*Unit Mix.* The expected unit mix and other information regarding the Series 2024C Financed Development is set forth in the table below:

**SERIES 2024C FINANCED DEVELOPMENT**

| <u>UNIT TYPE</u> | <u>NET RENTS</u><br><u>(monthly)</u> | <u>SQUARE FOOTAGE</u> | <u>NUMBER OF UNITS</u> |
|------------------|--------------------------------------|-----------------------|------------------------|
| 1 BR, 1 Bath     | \$ 1,385                             | 731                   | 22                     |
| 1 BR, 1 Bath     | 947                                  | 731                   | 6                      |
| 1 BR, 1 Bath     | 1,385                                | 510                   | 33                     |
| 1 BR, 1 Bath     | 947                                  | 510                   | 9                      |
| 1 BR, 1 Bath     | 1,385                                | 662                   | 23                     |
| 1 BR, 1 Bath     | 947                                  | 662                   | 5                      |
| TOTAL            |                                      |                       | 98                     |

All units will convert from public housing to Rental Assistance Demonstration Project Based Vouchers (Section 8 PBV Program) or federal Housing Assistance Payment Program (Section 8 PBV Program), and tenants will continue to pay 30% of their income towards rent.

*Series 2024C Borrower.* Ravine Redevelopment, LLC is an Illinois limited liability Company and will be the owner of the Series 2024C Financed Development. Ravine Redevelopment, LLC is 99.99% owned by NEF Assignment Corporation, an Illinois not for profit corporation, as the Investor Member, 0.0051% owned by Ravine Managing Member, LLC, as the Managing Member, and 0.0049% owned by Ravine Manager, LLC, as the Special Member.

*Architect.* The Series 2024C Borrower has entered into a contract with Engberg Anderson Architects, Milwaukee, WI for architectural services in connection with the Series 2024C Financed Development.

*General Contractor.* The Series 2024C Borrower has entered into a contract with Construction Management Associates, Inc., Kenosha, WI to rehabilitate and equip the Series 2024C Financed Development at a stipulated sum price equal to \$25,068,372.

*Property Management.* The Series 2024C Borrower has entered into a Management Agreement with Evergreen Real Estate Services, LLC, to manage the Series 2024C Financed Development.

**SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF PAYMENT**

**General**

The Series 2024C Bonds are being issued pursuant to the General Indenture and the Series 2024C Indenture and are secured by and payable solely from all of the Authority’s rights and interests in and to (i) the Funds and Accounts held by the Trustee and all deposits and investments of those Funds and Accounts; (ii) Revenues; (iii) all right, title and interest of the Authority in and to the Loans and the documents evidencing and securing the Loans and rights of the Authority to the payments of amounts in connection with the Loans to the extent the payments would be included in Revenues, including, to the extent they may be so pledged, any right to governmental subsidies payable

to the Authority to be used to pay principal of or interest on Loans, and also all security for the pledged rights in the Series Loans, including, without limitation, mortgages, assignments of rents and other security interests and agreements and, if applicable, liquidation proceeds and insurance proceeds, including proceeds of Federal Insurance received by the Authority; and (iv) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under a Series Indenture for the benefit of the owners of the Bonds (collectively, the “Trust Estate”).

### Reserve Requirement

Under the General Indenture, the Series Indenture authorizing each Series of Bonds establishes a Series Reserve Requirement for each such Series, and the Reserve Requirement is the sum of such Series Reserve Requirements. The Series 2024C Indenture establishes an initial Series Reserve Requirement for the Series 2024C Bonds of \$248,339, which is calculated as the maximum semiannual debt service on the Series 2024C Bonds (excluding the Series 2024C-2 Bonds), plus one month’s interest on the Series 2024C Risk Share Loan. The Reserve Requirement for the Series 2024C Bonds will be satisfied from the proceeds of the Series 2024C Bonds listed in “PLAN OF FINANCE – Sources and Uses of Funds” herein.

The Series Reserve Requirement for a Series of Bonds may be met by the accumulation of monies in the applicable account of the Reserve Fund or by a Cash Equivalent. The Series Reserve Requirement for each Series of the Bonds has been met. The following table lists the Series Reserve Requirement for each Series of the Bonds issued prior to the date hereof and the means of funding such Series Reserve Requirement.

| <u>SERIES OF BONDS</u> | <u>SERIES RESERVE REQUIREMENT (\$)</u> | <u>FUNDING MECHANISM</u> |
|------------------------|--|--------------------------|
| 2019 Series A          | \$ 654,136.25                          | Cash                     |
| 2020 Series A          | 183,057.92                             | Cash                     |
| 2020 Series B          | 98,889.33                              | Cash                     |
| 2020 Series C          | 60,038.75                              | Cash                     |
| 2020 Series D          | 61,514.00                              | Cash                     |
| 2021 Series A          | 1,895,000.00                           | Cash                     |
| 2021 Series B          | 630,000.00                             | Cash                     |
| 2021 Series C          | 1,578,610.00                           | Cash                     |
| 2022 Series A          | 510,000.00                             | Cash                     |
| 2022 Series B          | 345,549.00                             | Cash                     |
| 2022 Series C          | 892,789.64                             | Cash                     |
| 2023 Series A          | 208,897.50                             | Cash                     |
| 2023 Series BC         | 454,631.00                             | Cash                     |
| 2023 Series D          | 115,000.00                             | Cash                     |
| 2023 Series E          | 337,773.00                             | Cash                     |
| 2023 Series F          | 190,129.75                             | Cash                     |
| 2023 Series G          | 209,053.75                             | Cash                     |
| 2024 Series A          | 587,232.00                             | Cash                     |
| 2024 Series B          | 455,570.00                             | Cash                     |

### Security and Collateral for the Series 2024C Bonds

The Series 2024C Risk Share Loan will be insured, from and after conversion of the Series 2024C Financed Development to its permanent phase, under the Risk-Sharing Program, which provides for payment of 100% of the unpaid principal balance of the Series 2024C Risk Share Loan as of the date of default and interest on the Series 2024C Risk Share Loan from the date of default to the date of the initial claim payment. See APPENDIX F – “FHA Risk-Sharing Program.”

The Collateralized Loan and the 2024C Risk Share Loan, during the construction period, will be secured by the proceeds of the Bridge Loan held in the Cash Collateral Subaccount and invested in Permitted Investments. It is expected that amounts on deposit in the Cash Collateral Subaccount and interest earnings thereon, together with

amounts on deposit in the Collateralized Loan Subaccount, will be sufficient at all times to pay the interest on and principal of the Series 2024C-2 Bonds.

**Developments Financed by the Bonds**

The following table contains pertinent financial and operating information concerning the housing developments financed by the outstanding Bonds.

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**CERTAIN INFORMATION REGARDING THE HOUSING DEVELOPMENTS FINANCED BY THE BONDS**

**June 30, 2024**

| SERIES OF PARITY BONDS                  | LOAN NO.    | DEVELOPMENT                                      | LOAN RATE | ORIGINAL PRINCIPAL AMOUNT | CURRENT PRINCIPAL AMOUNT | EXPECTED FINAL MATURITY | CURRENT MONTHLY PAYMENT | REMAINING PAYMENTS | MATURITY DATE | PREPAYMENT LOCKOUT DATE <sup>f</sup> | PLACED IN SERVICE DATE | ANTICIPATED SECT. 8 EXPIRATION DATE | OCCUPANCY RATE (ALL UNITS) | NO. OF SECTION 8 UNITS | DEBT SERVICE COVERAGE RATIO |
|---|-------------|--|-----------|---------------------------|--------------------------|-------------------------|-------------------------|--------------------|---------------|--------------------------------------|------------------------|-------------------------------------|----------------------------|------------------------|-----------------------------|
| Multifamily Revenue Bonds Series 2019A  | 17-11293-01 | Ravenswood Senior Living                         | 4.46      | \$3,650,000               | 3,598,914.49             | 1/1/2063                | \$13,565.83             | 461                | 1/1/2063      | 1/1/2033                             | N/A                    | 1/1/2040                            | 97.3%                      | 74                     | 3.73                        |
| Multifamily Revenue Bonds Series 2019A  | 17-11293-02 | Ravenswood Senior Living                         | 4.46      | 25,400,000                | 25,044,500.67            | 1/1/2063                | 94,403.33               | 461                | 1/1/2063      | 1/1/2033                             | N/A                    | N/A                                 | 97.0%                      | N/A                    | 1.70                        |
| Multifamily Revenue Bonds Series 2020A  | 17-11480-01 | Concord at Sheridan                              | 5.10      | 5,750,000                 | 5,550,505.39             | 5/1/2060                | 28,108.21               | 431                | 5/1/2060      | 6/1/2030                             | 3/1/2019               | 12/1/2037                           | 97.3%                      | 65                     | 1.60                        |
| Multifamily Revenue Bonds Series 2020B  | 17-11486-01 | OSO Apartments                                   | 5.08      | 2,935,000                 | 2,839,570.04             | 9/1/2060                | 14,308.33               | 434                | 9/1/2060      | 9/1/2030                             | 9/1/2019               | 8/1/2038                            | 100.0%                     | 32                     | 1.45                        |
| Multifamily Revenue Bonds Series 2020C  | 17-11494-01 | Chelsea Senior Commons                           | 4.99      | 1,650,000                 | 1,549,539.49             | 8/1/2050                | 8,847.48                | 314                | 8/1/2050      | 9/1/2030                             | 8/9/2019               | N/A                                 | 100.0%                     | N/A                    | 1.67                        |
| Multifamily Revenue Bonds Series 2020D  | 17-11272-01 | Cary Senior Living                               | 5.60      | 1,695,000                 | 1,649,977.36             | 11/1/2060               | 9,912.59                | 437                | 11/1/2060     | 12/1/2030                            | 12/31/2019             | 8/2/2033                            | 98.4%                      | 7                      | 1.62                        |
| Multifamily Revenue Bonds Series 2021A  | 17-11888-01 | Circle Park Apartments                           | 3.10      | 83,000,000                | 82,448,864.39            | 1/1/2041                | 324,075.75              | 199                | 1/1/2041      | 3/1/2034                             | N/A                    | 1/31/2041                           | 65.0%                      | 239                    | N/A                         |
| Multifamily Revenue Bonds Series 2021B  | 17-11988-01 | Morningside Court Apartments                     | 3.02      | 27,600,000                | 26,245,583.72            | 8/1/2041                | 106,526.96              | 205                | 8/1/2041      | 8/1/2031                             | N/A                    | 12/31/2028                          | 97.3%                      | 171                    | N/A                         |
| Multifamily Revenue Bonds 2021 Series C | 17-11657-01 | North Sheffield Seniors                          | 3.57*     | 54,600,000                | 54,600,000.00            | 3/1/2065                | 162,435.00              | 490                | 3/1/2065      | 5/1/2035****                         | N/A                    | 11/1/2044                           | N/A                        | 405                    | N/A                         |
| Multifamily Revenue Bonds 2021 Series C | 17-11658-01 | North Sheffield Residences                       | 3.57*     | 11,000,000                | 11,000,000.00            | 3/1/2065                | 32,725.00               | 490                | 3/1/2065      | 5/1/2035****                         | N/A                    | 11/1/2044                           | 98.8%                      | 50                     | N/A                         |
| Multifamily Revenue Bonds 2021 Series C | N/A         | North Sheffield Residences (Collateralized Loan) | 1.05**    | 12,405,000                | 0                        | 7/1/2026                | ‡                       | ‡                  | 7/1/2026      | 1/1/2015                             | N/A                    | N/A                                 | N/A                        | N/A                    | N/A                         |
| Multifamily Revenue Bonds 2022 Series A | 17-11745-01 | Southern Hills/Orlando Apartments                | 3.53*     | 21,300,000                | 20,732,087.58            | 3/1/2062                | 82,897.95               | 453                | 3/1/2062      | 3/1/2032                             | N/A                    | N/A                                 | 99.5%                      | N/A                    | N/A                         |
| Multifamily Revenue Bonds 2022 Series B | 17-11997-01 | Walnut Place Apartments                          | 5.170*    | 10,815,000                | 10,643,996.29            | 6/1/2062                | 53,523.82               | 456                | 6/1/2062      | 7/1/2032                             | N/A                    | 5/1/2043                            | 100.0%                     | 67                     | N/A                         |
| Multifamily Revenue Bonds 2022 Series C | 17-10359-01 | The Homestead at Morton Grove                    | 3.70**    | 14,480,000                | 11,904,838.39            | 9/1/2051                | 57,844.20               | 327                | 9/1/2051      | 12/1/2010                            | 4/26/2012              | N/A                                 | 100.0%                     | N/A                    | 1.38                        |
| Multifamily Revenue Bonds 2022 Series C | 17-10373-01 | Merrill Court Apartments                         | 3.60**    | 1,685,000                 | 1,208,500.95             | 4/1/2042                | 7,660.77                | 213                | 4/1/2042      | 12/1/2010                            | 1/17/2012              | 1/17/2032                           | 97.5%                      | 40                     | 1.07                        |

| SERIES OF PARITY BONDS                   | LOAN NO.    | DEVELOPMENT                       | LOAN RATE | ORIGINAL PRINCIPAL AMOUNT | CURRENT PRINCIPAL AMOUNT | EXPECTED FINAL MATURITY | CURRENT MONTHLY PAYMENT | REMAINING PAYMENTS | MATURITY DATE | PREPAYMENT LOCKOUT DATE† | PLACED IN SERVICE DATE | ANTICIPATED SECT. 8 EXPIRATION DATE | OCCUPANCY RATE (ALL UNITS) | NO. OF SECTION 8 UNITS | DEBT SERVICE COVERAGE RATIO |
|--|-------------|-----------------------------------|-----------|---------------------------|--------------------------|-------------------------|-------------------------|--------------------|---------------|--------------------------|------------------------|-------------------------------------|----------------------------|------------------------|-----------------------------|
| Multifamily Revenue Bonds 2022 Series C  | 17-10338-01 | Moline Enterprise Live-Work Lofts | 4.35**    | 1,600,000                 | 1,213,202.82             | 12/1/2042               | 7,964.99                | 222                | 12/1/2042     | 11/1/2010                | 5/16/2012              | N/A                                 | 84.1%                      | N/A                    | 1.18                        |
| Multifamily Revenue Bonds 2022 Series C  | 17-10343-01 | Park Apartments                   | 4.35**    | 2,750,000                 | 1,316,981.30             | 12/1/2031               | 17,175.98               | 90                 | 12/1/2031     | 11/1/2010                | 11/18/2010             | N/A                                 | 87.5%                      | N/A                    | -0.11                       |
| Multifamily Revenue Bonds 2022 Series C  | 17-10348-01 | Town and Country Apartments       | 4.35**    | 2,500,000                 | 1,581,139.69             | 1/1/2037                | 13,683.82               | 149                | 1/1/2037      | 12/1/2010                | 1/1/2011               | 1/1/2031                            | 87.6%                      | 121                    | 1.35                        |
| Multifamily Revenue Bonds 2022 Series C  | 17-10334-01 | Zurich Meadows                    | 4.35**    | 4,200,000                 | 3,127,963.44             | 6/1/2042                | 20,908.10               | 216                | 6/1/2042      | 11/1/2010                | 10/1/2012              | N/A                                 | 97.9%                      | N/A                    | 1.43                        |
| Multifamily Revenue Bonds 2023 Series A  | 17-11505-01 | Major Jenkins                     | 3.80%     | 8,640,000                 | 8,530,200.29             | 5/1/2063                | 35,042.98               | 467                | 5/1/2063      | 4/1/2033                 | 10/29/2020             | N/A                                 | 92.3%                      | N/A                    | N/A                         |
| Multifamily Revenue Bonds 2023 Series BC | 17-11991-01 | Autumn Ridge                      | 5.15%     | 15,800,000                | 15,800,000.00            | 5/1/2065                | 77,763.37               | 491                | 5/1/2065      | 5/1/2035                 | N/A                    | 2/29/2040                           | N/A                        | 132                    | N/A                         |
| Multifamily Revenue Bonds 2023 Series D  | 17-11758-01 | Hebron Townhouse Apartments       | 3.57%     | 4,725,000.00              | 4,679,937.57             | 8/1/2063                | 18,503.12               | 470                | 8/1/2063      | 9/1/2033                 | 12/31/2021             | 5/19/2040                           | N/A                        | 62                     | N/A                         |
| Multifamily Revenue Bonds 2023 Series E  | 17-11624-01 | Barwell Manor                     | 4.26%     | 12,940,000.00             | 12,846,380.47            | 9/1/2063                | 56,192.33               | 471                | 9/1/2063      | 10/1/2033                | 12/31/2022             | N/A                                 | 99.2%                      | N/A                    | N/A                         |
| Multifamily Revenue Bonds 2023 Series F  | 17-11551-01 | Southbridge Phase 1B              | 4.84**    | 6,600,000                 | 6,563,416.44             | 10/1/2063               | 31,128.78               | 472                | 10/1/2063     | 5/1/2033                 | 2/1/2022               | N/A                                 | 98.1%                      | 0                      | N/A                         |
| Multifamily Revenue Bonds 2023 Series G  | 17-11510-01 | Southbridge Phase 1A              | 4.15**    | 8,100,000                 | 8,066,770.60             | 1/1/2064                | 35,999.10               | 475                | 1/1/2064      | 5/1/2033                 | 2/1/2022               | N/A                                 | 100%                       | 0                      | N/A                         |
| Multifamily Revenue Bonds 2024 Series A  | 17-10545-01 | Maywood SLF                       | 3.67**    | 24,995,000                | 24,902,777.49            | 3/1/2064                | 99,393.17               | 477                | 3/1/2064      | 3/1/3034                 | 5/9/2023               | N/A                                 | 100%                       | 0                      | N/A                         |
| Multifamily Revenue Bonds 2024 Series B  | 17-11937-01 | Two Towers                        | 5.75**    | 13,320,000                | 1,625,395.56             | 7/1/2066                | 73,753.25               | 481                | 7/1/2066      | 7/1/2036                 | N/A                    | 5/8/2046                            | N/A                        | 239                    | N/A                         |

\* Includes a servicing fee of 0.25% per annum and a mortgage insurance premium of 0.25% per annum, which amounts are not pledged under the Indenture.

\*\* Includes a servicing fee of 0.25% per annum, which amount is not pledged under the Indenture.

\*\*\* Under each Risk Share Loan Agreement, the related Loan may not be prepaid in whole or in part at the option of the Series 2024C Borrower at any time prior to the tenth anniversary of the commencement of amortization of such Loan, which anniversary is currently expected to be May 1, 2035.

† The Authority may waive a prohibition on prepayments contained in any Loan.

‡ Loan principal at maturity and interest-only payments prior thereto are expected to be paid from a Cash Collateral Subaccount securing the loan together with interest earnings on, and an initial interest deposit to, such account.

## **CERTAIN BONDHOLDERS' RISKS**

### **Limited Security**

The Series 2024C Bonds are special, limited obligations of the Authority payable solely from the Trust Estate pledged under the Indenture. See “SECURITY FOR THE SERIES 2024C BONDS AND SOURCES OF PAYMENT.” There is no assurance that the Loans in or expected to be in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Series 2024C Bonds when due. See APPENDIX C – “Form of Series 2024C Indenture.” Additional Bonds issued under the General Indenture will be secured by the Trust Estate on an equal and ratable basis with the Series 2024C Bonds.

THE AUTHORITY HAS DETERMINED BY RESOLUTION THAT THE PROVISIONS OF SECTION 26.1 OF THE ILLINOIS HOUSING DEVELOPMENT ACT, WHICH REQUIRES THE GOVERNOR TO SUBMIT TO THE GENERAL ASSEMBLY THE AMOUNT CERTIFIED BY THE AUTHORITY AS BEING REQUIRED TO PAY DEBT SERVICE ON ITS BONDS BECAUSE INSUFFICIENT MONEYS ARE AVAILABLE FOR SUCH PURPOSES, SHALL NOT APPLY TO THE SERIES 2024C BONDS.

### **Other Sources of Funds**

The proceeds of the Series 2024C Bonds will provide only a portion of the moneys required to acquire, construct, rehabilitate and equip the Series 2024C Financed Development. As described under the caption “PLAN OF FINANCE – Sources and Uses of Funds,” the Series 2024C Borrower expects to receive additional financing from equity contributions and other sources. The Authority will disburse the IHDA Subordinate Loan from time to time during the construction period for the Series 2024C Financed Development pursuant to the terms of a loan agreement between the Authority and the Series 2024C Borrower.

### **FHA may have Authority to Override Prepayment Limitations**

FHA may override any payment consent rights or statutory prepayment prohibition with respect to the FHA-insured mortgage loans in the event of a default of the Series 2024C Loans.

### **Conditions to Payment of Risk-Sharing Insurance**

The failure to maintain adequate casualty insurance on the Series 2024C Financed Development insured under the Risk-Sharing Program may result in the loss of Risk-Sharing Program insurance benefits in the event of damage to, or destruction of, the Series 2024C Financed Development. Risk-Sharing Program benefits may also be impaired as a result of the failure to pay required mortgage insurance premiums to the FHA and failure of the mortgagee to provide the FHA on a timely basis with required notice. As described in APPENDIX F – “FHA Risk-Sharing Program,” the Authority is responsible for servicing the Series 2024C Loans and the maintenance of the Risk-Sharing Program insurance in connection with the Series 2024C Loans.

### **Affordable Multifamily Housing Loans**

The Series 2024C Risk Share Loan will be secured from and after conversion by properties that are encumbered by restrictive covenants that impose restrictions relating to tenant income, occupancy and/or rent restrictions. A breach of these restrictions may constitute an event of default under the related mortgage or may result in the termination of any payments being received from the governmental entity that imposed the restrictions. Some affordable multifamily housing properties may benefit from long-term federal rental assistance or other federal, state or local subsidies that may be terminated or abated if the requirements of the subsidies are not met. If a subsidy is reduced or eliminated and cannot be replaced by obtaining a new subsidy, increasing rents to current tenants or the leasing of properties to market tenants, the related Loan may default.

### **Tax Exempt Status**

The opinion to be delivered by Bond Counsel concurrently with the delivery of the Series 2024C Bonds as described in “TAX MATTERS” will assume compliance by the Authority and the Series 2024C Borrower with certain

requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be met subsequent to the issuance of the Series 2024C Bonds. The Authority and the Series 2024C Borrower will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2024C Bonds to be included in gross income, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2024C Bonds. Furthermore, the opinion of Bond Counsel is rendered as of the date of delivery of the Series 2024C Bonds and speaks only to the laws in effect as of such date. Amendments to federal and state tax laws are proposed from time to time and could be enacted in the future. There can be no assurance that any such future amendments will not adversely affect the value of the Series 2024C Bonds, the exclusion of interest on the Series 2024C Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2024C Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

### **Natural Disasters and Related Events**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Authority’s ability to conduct its business. A prolonged disruption in the Authority’s operations could have an adverse effect on the Authority’s financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Authority has developed, and continues to develop, a Continuity of Operations Plan (the “Plan”). The Plan is designed to (i) ensure the ability to perform essential services across a wide range of emergencies and incidents and to enable the Authority to continue functions on which its customers and community depend, (ii) facilitate immediate, accurate and measured continuity activities after emergency conditions have been stabilized, (iii) reduce the time it takes to make critical decisions when such an event occurs, (iv) minimize the incident’s effect on daily operations when returning from emergency response operations back to normalized operations, and (v) expedite restoration of services. No assurances can be given that the Authority’s efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

### **RATINGS**

The Series 2024C-1 Bonds have received the rating of “Aaa” from Moody’s Investor Service, Inc. (“Moody’s”), and the Series 2024C-2 Bonds have received the rating of “Aaa/VMIG 1” from Moody’s.

The ratings assigned to the Series 2024C Bonds reflect only the view of Moody’s, and an explanation of the significance of such ratings may be obtained from the rating agency. There is no assurance that the ratings that have been assigned to the Series 2024C Bonds will continue for any given period of time or that either such rating will not be revised or withdrawn entirely by Moody’s if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series 2024C Bonds.

### **LEGALITY OF BONDS FOR INVESTMENT**

Under the Act, the Series 2024C Bonds, in the State, are securities in which all public officers and bodies of the State and all its municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on an insurance business, all banks, trust companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. State laws governing specific types of investors may, however, impose restrictions on such investors with respect to the legality for purchases of the Series 2024C Bonds and may also contain limitations that permit purchases of the Series 2024C Bonds only with specified percentages of their assets.

### **LITIGATION**

The Authority is not engaged in and has not been threatened with any litigation of any nature that seeks to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024C Bonds or that in any way contests the validity of the Series 2024C Bonds or any proceedings of the Authority with respect to their issuance or sale or

application of any moneys or security provided for the payment of the Series 2024C Bonds, or that contests the existence of the Authority.

The Authority may from time to time be a party to litigation incident to the conduct of its programs. The Authority is not engaged in and has not been threatened with any litigation with respect to its statutory powers or otherwise which in the judgment of the Authority is material to the performance of its programs or its obligations with respect to notes and bonds, including the Series 2024C Bonds, of the Authority.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Kutak Rock LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2024C Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any Series 2024C Bond for any period during which such Series 2024C Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the Series 2024C Bonds or a “related person”, and (ii) interest on the Series 2024C Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Series 2024C Bonds may affect the federal alternative minimum tax imposed on certain corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Series 2024C Borrower and others in connection with the Series 2024C Bonds, and Bond Counsel has assumed compliance by the Authority and the Series 2024C Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2024C Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Authority, under the Illinois Housing Development Act, as amended, interest on the Series 2024C Bonds is exempt from Illinois income taxes.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2024C Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2024C Bonds.

### **Summary of Certain Federal Tax Requirements**

Under applicable provisions of the Code, the exclusion from gross income of interest on the Series 2024C Bonds for purposes of federal income taxation requires that (i) at least 40% of the units in the Series 2024C Financed Development be occupied during the “Qualified Project Period” (defined below) by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended, do not exceed 60% of the median income for the area, as adjusted for family size, and (ii) all of the units of the Series 2024C Financed Development be rented or available for rental on a continuous basis during the Qualified Project Period. “Qualified Project Period” for the Series 2024C Financed Development means a period commencing upon the later of (a) occupancy of 10% of the units in the Series 2024C Financed Development or (b) the date of issue of the Series 2024C Bonds, and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in the Series 2024C Financed Development, (ii) the first date on which no tax-exempt private activity bonds issued with respect to the Series 2024C Financed Development are outstanding or (iii) the date on which any assistance provided with respect to the Series 2024C Financed Development under Section 8 of the United States Housing Act of 1937 terminates. The Series 2024C Financed Development will meet the continuing low income requirement as long as



the income of the individuals occupying a low income unit does not increase to more than 140% of the applicable limit. Upon an increase over 140% of the applicable limit, the next available unit of comparable or smaller size in the Series 2024C Financed Development must be rented to an individual having an income that does not exceed the applicable income limitation.

In the event of noncompliance with the requirements described in the preceding paragraph arising from events occurring after the issuance of the Series 2024C Bonds, the Treasury Regulations provide that the exclusion of interest on the Series 2024C Bonds from gross income for federal income tax purposes will not be impaired if the Authority takes appropriate corrective action within a reasonable period of time after such noncompliance is first discovered or should have been discovered by the Authority.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2024C Bonds in order that interest on the Series 2024C Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2024C Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2024C Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority and the Series 2024C Borrower have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2024C Bonds from gross income under Section 103 of the Code.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2024C Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2024C Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2024C Bonds.

Prospective owners of the Series 2024C Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Series 2024C Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2024C Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2024C Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2024C Bonds from

gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2024C Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2024C Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2024C Bonds.

Prospective purchasers of the Series 2024C Bonds should consult their own tax advisors regarding the foregoing matters.

### **CERTAIN LEGAL MATTERS**

All legal matters related to the authorization, issuance, sale and delivery of the Series 2024C Bonds are subject to the approval of Kutak Rock LLP, Bond Counsel to the Authority with respect to the Series 2024C Bonds. The approving opinion of Bond Counsel substantially in the form set forth as APPENDIX E hereto, will be delivered with the Series 2024C Bonds. Certain legal matters will be passed upon for the Authority by its interim general counsel, Kathryn Finn, Esq. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP, Chicago, Illinois.

### **FINANCIAL ADVISOR**

Caine Mitter & Associates Incorporated ("*Caine Mitter*") was retained by the Authority to act as Financial Advisor in connection with the Series 2024C Bonds and has assisted in the preparation of certain information in this Official Statement. Caine Mitter will receive compensation for its services as Financial Advisor. Caine Mitter is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. Caine Mitter is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2024C Bonds.

### **UNDERWRITING**

The Series 2024C Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement. The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Series 2024C Bonds at a purchase price equal to \$30,000,000. The Underwriter will receive compensation in connection therewith in the aggregate amount of \$210,804.39. The initial public reoffering prices of the Series 2024C Bonds may be changed, from time to time, by the Underwriter.

The following language has been provided by the Underwriter. The Authority takes no responsibility as to the accuracy or completeness thereof.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the

accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

## CONTINUING DISCLOSURE

### Authority Continuing Disclosure Undertaking

*General.* In connection with the issuance of the Series 2024C Bonds, the Authority will deliver a Continuing Disclosure Undertaking in the form attached as APPENDIX G hereto, by which the Authority will agree to make available, in compliance with Rule 15c2-12 (the “Rule”), certain annual financial information and audited financial statements of the Series 2024C Borrower not later than 180 days following the end of the Series 2024C Borrower’s fiscal year and notice of certain events, provided that the Authority receives such financial statements from the Series 2024C Borrower. The annual financial information will also include the Authority’s audited financial statements, prepared in accordance with generally accepted accounting principles as in effect from time to time, and, to the extent not included in such financial statements, the following additional information: (i) the principal amount of Outstanding Bonds, (ii) the amount of moneys and securities in the Reserve Fund, if any, and (iii) an update of the information relating to the Loans contained in APPENDIX B to this Official Statement, as it may be supplemented or amended. Such annual financial information will be provided not later than the 180th day following the end of each fiscal year of the Authority, beginning with the fiscal year ending June 30, 2024.

*Other Information Available to Bondholders.* Pursuant to the Authority’s Continuing Disclosure Undertaking, commencing July 17, 2024, the Authority agrees to provide the following information about the Series 2024C Loans on a monthly basis by filing with EMMA a report containing the following information:

- the current payment number,
- the loan status (on watch list, number of days or months late, bankruptcy),
- the loan balance remaining,
- the current reserve balance, and
- the current principal and interest paid (and remaining due, if any).

### *Past Compliance.*

The Authority has found instances of non-compliance with its continuing disclosure obligations in the previous five years, as summarized below.

The Authority did not file its annual financial information for its fiscal year ended June 30, 2021 by December 27, 2021 (the 180th day after the end of the Authority’s fiscal year), but did file a notice on EMMA stating that it would be unable to file within such time period, and would file as soon as its 2021 financial statements were available. The Authority filed its 2021 financial statements on EMMA on March 29, 2022.

The Authority did not file its annual financial information for its fiscal year ended June 30, 2019 by December 27, 2019 (the 180th day after the end of the Authority’s fiscal year), but did file a notice on EMMA stating that it would be unable to file within such time period, and would file as soon as its 2019 financial statements were available. The Authority filed its 2019 financial statements on EMMA on February 27, 2020.

The Authority did not timely file one financial obligation for one series of Multifamily Revenue Bonds, Series 2021A. The appropriate filing was subsequently filed by the Authority on EMMA.

The Authority did not timely file one monthly loan report for one series of multifamily revenue bonds for the month ending January 31, 2020. The appropriate filing subsequently was filed by the Authority on EMMA.

While the Authority provided to EMMA all annual financial information for the fiscal year ended June 30, 2022, portions of such information that were provided prior to the issuance of the Authority's Revenue Bonds, 2022 Series E, Revenue Bonds, 2022 Series F, Revenue Bonds, 2022 Series G, and Revenue Bonds, 2022 Series H were not updated to refer to the CUSIPS for such series of bonds. An update subsequently was filed by the Authority on EMMA.

During the last five years, the Authority failed to file an event notice with respect to a rating upgrade in 2020 with respect to one series of conduit bonds. In accordance with its continuing disclosure undertakings, the Authority has filed a remedial notice with EMMA.

#### **Series 2024C Borrower Undertaking**

In connection with the issuance of the Series 2024C Bonds, the Series 2024C Borrower shall enter into a Continuing Disclosure Undertaking for the benefit of Series 2024C Bondowners, a form of which is attached as APPENDIX H hereto. Pursuant to such undertaking, the Series 2024C Borrower shall agree to provide to the Authority its Annual Financial Statements (expected within 150 days of the end of the fiscal year for the Series 2024C Borrower) and Annual Financial Information related to the Series 2024C Loans and the Series 2024C Financed Development commencing with the first fiscal year ending for the Series 2024C Borrower following the date of issuance of the Series 2024C Bonds and notice of certain events within five business days of the occurrence of such events. The Authority has no obligation to examine or review such financial statements or information to verify the accuracy or completeness of such financial statements or information.

#### **MISCELLANEOUS**

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Copies of the General Indenture, the Series 2024C Indenture and the other documents referred to herein may be obtained from the Trustee. Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any Bonds.

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

By: /s/ Kristin L. Faust  
Kristin L. Faust, Executive Director

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**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE  
FISCAL YEAR ENDED JUNE 30, 2023**

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**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

A COMPONENT UNIT OF THE STATE OF ILLINOIS

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED  
JUNE 30, 2023

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# ILLINOIS HOUSING DEVELOPMENT AUTHORITY

## ILLINOIS HOUSING DEVELOPMENT AUTHORITY A Component Unit of the State of Illinois ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Prepared by:**

IHDA Accounting and Finance Staff

**Illinois Housing Development Authority**

111 E. Wacker Drive

Ste 1000

Chicago, IL 60601

(312) 836-5200

[www.ihda.org](http://www.ihda.org)

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The Uniform Guidance Single Audit Report will be issued under a separate cover.



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

# **INTRODUCTORY SECTION**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
BOARD OF DIRECTORS  
YEAR ENDED JUNE 30, 2023



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
 A COMPONENT UNIT OF THE STATE OF ILLINOIS  
 AGENCY OFFICIALS  
 YEAR ENDED JUNE 30, 2023

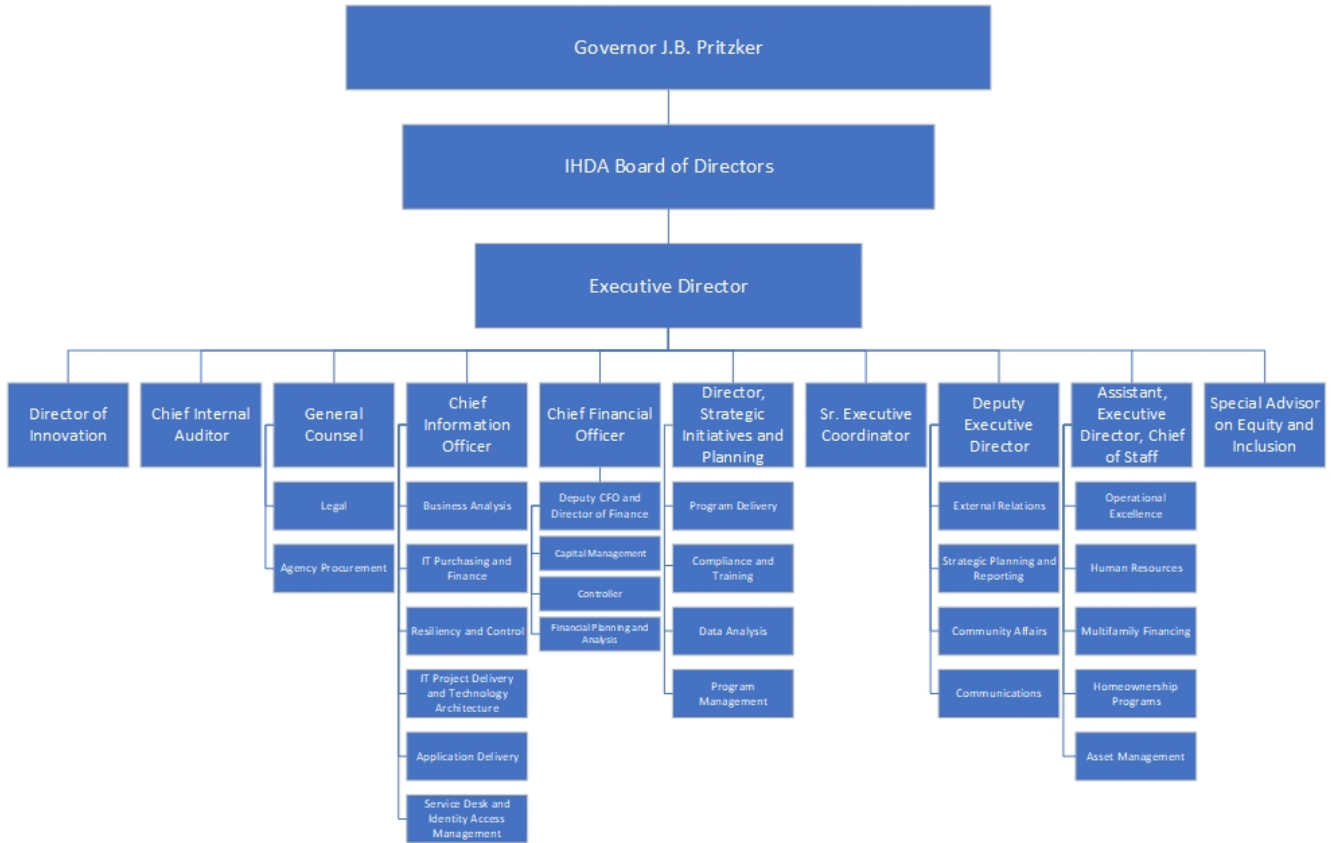


Agency Officials are located at:

111 E. Wacker Drive, Suite 1000  
 Chicago, Illinois 60601



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
 A COMPONENT UNIT OF THE STATE OF ILLINOIS  
 ORGANIZATIONAL CHART  
 YEAR ENDED JUNE 30, 2023



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
LETTER OF TRANSMITTAL  
YEAR ENDED JUNE 30, 2023



111 E. Wacker Drive  
Suite 1000  
Chicago, IL 60601  
312.836.5200

December 14, 2023

The Honorable J.B. Pritzker  
Office of the Governor  
207 S. Spring St.  
Springfield, Illinois 62704

Dear Governor Pritzker, Members of the IHDA Board, and citizens of Illinois:

It is our pleasure to present the Audited Comprehensive Financial Statement for the Illinois Housing Development Authority (“IHDA”, “the Authority”) for the fiscal year ended Friday, June 30, 2023, which provides an in-depth, detailed analysis of our financial transactions and standing for the fiscal year. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon the design, implementation, and maintenance of a framework of internal control that it has established to ensure the Authority’s financial statements are free from material misstatement, whether due to fraud or error. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any misstatements.

The Authority is required to have an annual audit in accordance with the Governmental Account Audit Act (50 ILCS 310/2) and to file a complete audit, including annual financial statements, to the Illinois Office of the Comptroller. Information related to the single audit, including a schedule of expenditures of federal awards and the required independent auditors’ reports is included in the audit report.

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and in conformance with the financial reporting principles and standards established by the Governmental Accounting Standards Board (GASB). Additionally, this report follows the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and will be submitted for its review and evaluation.

### **Reporting Entity**

IHDA was created in 1967 by an act of the Illinois General Assembly for the purposes of assisting in the financing of decent, safe, and sanitary housing for persons and families of low- and moderate-income in the State and assisting in the financing of residential mortgages in the State. To accomplish its mission, the Authority is authorized to make mortgage or other loans to nonprofit corporations and limited profit entities for the acquisition, construction, or rehabilitation of affordable housing. IHDA is also authorized to issue bonds and notes to fulfill its corporate purposes, including making mortgage and construction loans to fund affordable rental housing and the financing of residential mortgage loans to encourage affordable homeownership.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
LETTER OF TRANSMITTAL  
YEAR ENDED JUNE 30, 2023

Over the years, the Authority's scope has expanded to address the diverse housing challenges facing residents of Illinois. Today, IHDA administers a variety of state and federally funded programs focused on the following key areas:

1. Multifamily and Single-Family Housing Finance;
2. Community Revitalization;
3. Planning and Capacity Building;
4. Foreclosure and Eviction Prevention; and
5. Coordination with Other Public and Private Agencies.

The Authority implements an executive budget every fiscal year. The executive budget is reviewed and approved by the Executive Director, monitored for compliance monthly, and any use of the general fund beyond the approved executive budget must be approved by the Executive Director. This annual budget serves as the basis for the Authority's financial planning and control.

### **Economic Conditions and Outlook**

According to estimates from U.S. Census Bureau, Illinois' population in 2022 was 12,582,032 a decrease of 89,437 from the population reported in the 2021. This represents a .01% year-over-year decrease compared to a national population increase of 0.004% in that same time.

Illinois' median household income was \$76,708 in 2022, 2.6% above the national median of \$74,755. The State's unemployment rate at the close of FY2023 was 4.5%, down from 4.7% at the end of FY2022 but .07% higher than the national unemployment rate of 3.8%. An estimated 11.9% of the State's population is below the federal poverty level compared to a national poverty rate of 12.6%.

Total housing production in Illinois increased in 2022 with permits issued for 20,550 residential units, up from 19,658 units in 2021 but still below 2019 and 2018 when 20,524 and 21,510 units were authorized respectively. Illinois' rate of homeownership, as reported by the U.S. Census Bureau, was 67.1% in 2022, compared to a national rate of 65.2%. The median monthly housing costs paid by Illinois homeowners with a mortgage was \$1,804 compared to the national median of \$1,775, while the median gross rent paid by Illinois tenants was \$1,170 compared to the national median of \$1,300. Recent studies have found that an estimated 23.1% of homeowners and 46.6% of renters in Illinois are considered housing cost-burdened.

### **Current Major Initiatives**

It is IHDA's mission to finance the creation and preservation of affordable housing in Illinois. During these times of economic challenges, the Authority maintains a proactive and innovative approach to fulfilling this mission in service to low-income and moderate-income families, seniors, persons with disabilities, persons at risk of homelessness, and special needs populations in Illinois.

#### Affordable Rental Housing

IHDA made significant progress in multifamily finance in FY2023, leveraging state and federal resources with access to private capital to create affordable housing for families, seniors, and people with special needs. During the course of the year, IHDA allocated \$586.7 million in state and federal resources, awarded state and federal tax credits that generated \$594.6 million in private investment, and leveraged an additional \$357 million in non-Authority resources to finance the construction or preservation of 54 affordable rental developments in communities throughout the State. Located in 34 cities across 18 counties, these properties contain 4,748

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
LETTER OF TRANSMITTAL  
YEAR ENDED JUNE 30, 2023

affordable rental units, all of which are designated for income-eligible families, seniors, and special needs populations.

As the COVID-19 pandemic threatened the financial viability of the State's pipeline of new affordable housing, IHDA worked closely with project sponsors to find solutions for developments impacted by changing interest rates, labor shortages, increased construction costs, and supply chain disruptions. IHDA launched the COVID-19 Affordable Housing Grant Program (CAHGP) to offset losses incurred to Low Income Housing Tax Credit developments. Funded through the federal American Rescue Plan Act of 2021, in FY2022 IHDA approved \$73.5 million from CAHGP to fund 21 developments containing 1,104 total units that otherwise would not have been viable and would not have started construction due to rising construction costs and interest rates. In FY23, IHDA provided an additional \$69.5 million in CAHGP funds to 19 developments with 979 affordable units.

In addition to creating and preserving affordable rental housing, the Authority takes an active approach to oversee its rental portfolio, which includes 107,739 units in 1,948 developments. To ensure Authority-financed properties remain financially viable and well-maintained over the long term, IHDA works directly with our property owners and management partners to provide comprehensive trainings, streamlined reporting processes, and subsidy programs designed to meet the housing needs of severely and extremely low-income households.

To assist developments that tapped into their reserves to keep the buildings running and put off any much-needed capital repairs due to the COVID-19 pandemic, IHDA created the Capital Bill Preservation Program: Limited Rehabilitation (Preservation Program) in 2022. The program utilized \$28 million in Rebuild Illinois capital bill dollars to provide subordinate financing to developments with existing income and occupancy restrictions that have outstanding capital improvement needs that cannot be met using existing reserves. IHDA received funding requests totaling more than \$37.45 million and approved 63 Preservation Program grants totaling \$27.61 million to provide vital and necessary repairs ensuring the health and safety of those residing in IHDA-financed developments.

#### Affordable Homeownership

Helping more Illinoisans achieve affordable and sustainable homeownership is a priority for the Authority. Owning a home is one of the most common strategies for working families to build household wealth and achieve financial security, but homeownership has been falling further out of reach for an entire generation due to rising costs, student debt and an inadequate supply of affordable homes. While Illinois' homeownership rate of 67.1% is marginally higher than the national rate, younger buyers and BIPOC households remain underrepresented among homeowners. Towards this end, the Authority continues to create financing tools and outreach strategies that make homeownership accessible to a broader range of households with a goal of closing these disparities in homeownership rates by race and age.

In FY2023, IHDA originated \$1.08 billion in first mortgage loans and \$40.8 million in down payment assistance to help 6,438 Illinois families purchase their first home in 93 of Illinois' 102 counties. This assistance was provided through the Authority's Access Mortgage, Opening Doors, and the Illinois HFA1 down payment assistance programs, each of which provide free financial education and pre-purchase counseling to ensure new buyers not only have the financial resources, but the education and support they need to make sustainable homeownership possible. The Opening Doors program is designed to help borrowers of color, including Deferred Action for Childhood Arrivals recipients, who have historically faced steeper barriers to homeownership. In addition to providing financial assistance for down payments and closing costs, the program utilizes a robust marketing and outreach campaign that engages HUD-approved housing counseling

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
LETTER OF TRANSMITTAL  
YEAR ENDED JUNE 30, 2023

agencies, realtors, mortgage lenders, and others who work with historically disinvested communities of color to increase awareness and promote homebuyer education among potential borrowers and industry professionals.

Emergency Foreclosure and Eviction Prevention

The economic fallout caused by the COVID-19 pandemic has highlighted the fundamental role of housing in keeping families safe, stable, and healthy, while also exposing the longstanding housing affordability crisis that existed throughout the nation. Though Illinois quickly enacted moratoriums on evictions and foreclosures, direct financial assistance was needed to assist those who were accruing considerable amounts of back rent or missed mortgage payments after a COVID-19-related job or income loss.

In FY2020, IHDA delivered \$230.6 million in rental assistance to 46,129 households and \$98.5 million in mortgage payment assistance to 10,071 households to prevent eviction or foreclosure after a COVID-19-related loss of income. Building on this effort, IHDA launched the Illinois Rental Payment Program in 2021 to further support renters facing eviction due to COVID-19. By the end of the year, IHDA had disbursed an additional \$584 million in emergency rental payments to help 63,964 renters pay overdue rent after a financial hardship caused by the pandemic.

In FY2022, the Illinois Rental Payment Program opened for a second round of applications and by the close of the fiscal year had delivered an additional \$204 million in federal assistance to 27,279 renters throughout the state.

FY2023 saw a surge of asylum seekers coming to Illinois from Texas and Colorado with no place to live once they arrived. Leveraging our extensive experience, knowledge, partnerships, and resources, IHDA and the Illinois Department of Human Services acted quickly to create the Asylum Seeker Emergency Rental Assistance Program to help these families find safe, stable housing while they establish a new life here in Illinois. In FY2023, IHDA assisted 1,049 asylum seekers with \$8.3 million in emergency rental assistance while they regained their financial footing in Illinois.

FY2023 also saw 10,870 homeowners assisted through the Illinois Homeowner Assistance Fund (ILHAF). ILHAF provides grants of up to \$60,000 to homeowners across Illinois who experienced financial hardship because of the pandemic. Overall, IHDA distributed \$198 million in FY2023 for an average grant of \$18,246.

Finally, IHDA continued to improve access to foreclosure prevention services and funded a network of counseling agencies that provided critical support and financial education to 8,596 families facing foreclosure, helping them explore their options to achieve the best possible outcome for their situation.

Home Rehabilitation and Repair

For many families, the high costs of repairs and maintenance can make homeownership unaffordable. The Census reports that 37.4% of housing units throughout Illinois are more than 60 years old, and many of these homes are in need of updates, renovations or repairs that can be out of reach for low-income households. In addition, the number of Illinois residents over the age of 65 is at 17.2%, and while they may have the financial means to stay in their homes, many low-income seniors or persons with disabilities are forced to relocate due to accessibility concerns. For these reasons, the Authority has been working diligently to help municipalities maintain affordability, improve accessibility, and preserve the quality of the State's single-family housing stock.

In FY2023 IHDA utilized funds from the Illinois Affordable Housing Trust Fund to offer two programs that help existing homeowners make costly improvements and repairs. Through the Home Accessibility Program, IHDA

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partnered with local governments and non-profit organizations to help seniors and persons with disabilities make their homes safer and more accessible by installing interior chair lifts, platform lifts, exterior ramps, bathroom modifications and other improvements. For homeowners struggling with the high costs of maintenance on their aging properties, IHDA's Single-Family Rehabilitation Program helped eligible households afford work that corrected code violations, eliminated health and safety hazards, and lowered energy consumption. In FY2023, these programs awarded \$2.5 million in funding to municipalities and non-profit agencies to help 213 families, seniors, and persons with disabilities remain comfortable and safe in their homes.

In FY2023, IHDA combined the previous two programs and launched the Home Repair and Accessibility Program (HRAP). Through HRAP, IHDA granted funds to 36 local government and nonprofit organizations to assist homeowners and renters with documented health and safety issues or concerns, such as mechanical, electrical, structural, or plumbing that undermine the integrity of the home. Launched in April 2023, IHDA announced it had allocated \$15.3 million and two properties were completed prior to the close of FY2023. HRAP will continue helping low-income Illinois households improve their housing stock in FY2024.

#### Community Revitalization

The Authority continued to administer the Strong Communities Program in FY2023 that provided \$3.9 million to local units of government for the purpose of acquiring 504 vacant or abandoned properties and returning them to productive and taxable use. In cases where the properties are beyond repair and negatively impacting neighboring residences, the program also provide funds for demolition. To further empower local and regional revitalization efforts in communities outside the Chicago Metropolitan Area, IHDA's Land Bank Capacity Program provided funds to help local governments create and operate land banks to acquire, develop, or otherwise repurpose vacant properties within their jurisdictions.

#### Housing Planning and Coordination Efforts

The Authority continues to form partnerships and build the capacity of the affordable housing community.

The Authority's team of Community Revitalization Specialists continued their work with communities throughout Illinois and formed partnerships to expand local planning capacity via a community revitalization strategy process in FY2023. Notably, the Authority made it a priority to reach out to smaller, rural communities that do not have the capacity to create and implement long-term housing plans. Under this effort, partnerships have increased local capacity to see affordable housing as an important element of local economic and community development goals and resulted in several tailored community revitalization strategies adopted by local jurisdictions to guide future development initiatives.

Also, IHDA launched another round of the Supportive Housing Institute, a capacity-building effort designed to increase the production of supportive housing for vulnerable populations. Intended for both new and experienced developers and service providers outside of the Chicago metro area, the Institute helps the state's supportive housing partners navigate the complex process of developing housing with supportive services by improving the planning, development, and initial project implementation processes. IHDA saw double the number of applications compared to FY2022.

Finally, the Authority continued its collaboration with the Illinois Department of Healthcare and Family Services, Illinois Department of Human Services, and Illinois Department on Aging in support of [ILHousingSearch.org](https://www.ilhousingsearch.org). This free housing locator service provides real-time, detailed information about available rental housing,

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including all IHDA-financed apartments as well as market rate units, to help Illinois residents find a rental home within their budget.

**Other Information**

Independent Audit

The Authority's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed Certified Public Accountants. The independent auditor concluded, based upon the audit, the Authority financial statements as of and for the fiscal year ending June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report expresses an unmodified opinion and has been included in the Financial Statement section of this report.

Management's Discussion and Analysis

Management has provided a narrative overview and analysis of the financial activities of the Authority to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This transmittal letter is intended to complement the Authority's MD&A and should be read in conjunction with it. The Authority's MD&A can be found following the report of the independent auditor.

Financial Planning

The Authority has an investment policy that encompasses all funds related to the issuance of bonds, as well as all funds otherwise held by the Authority. The Authority seeks first and foremost to ensure the safety of principal, and secondly, to attain the highest possible return available given the risk constraints.

Awards and Designations

The Government Finance Officers Association of the United States and Canada (GFOA) awarded another Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the second year the Authority has received this prestigious award, bestowed for publishing an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

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Acknowledgments

This report gives a reliable, complete picture of the Authority's financial operations for Fiscal Year 2023. It can be used as a basis for making informed management decisions.

The preparation of this report was accomplished through the efficient and dedicated effort of IHDA's Finance department along with valuable assistance and information provided by other staff members of the Authority. This report is also available online at [www.ihda.org/financial-accountability-reports](http://www.ihda.org/financial-accountability-reports).

Sincerely,



Kristin Faust  
Executive Director



Keith Evans  
Interim Chief Financial Officer



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL  
REPORTING YEAR ENDED JUNE 30, 2023



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Illinois Housing Development Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

**FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino, Auditor General of the State of Illinois,  
and Board of Directors  
Illinois Housing Development Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Housing Development Authority (the Authority), a component unit of the State of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

Honorable Frank J. Mautino, Auditor General of the State of Illinois,  
and Board of Directors  
Illinois Housing Development Authority

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Honorable Frank J. Mautino, Auditor General of the State of Illinois,  
and Board of Directors  
Illinois Housing Development Authority

***Required Supplementary Information***

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

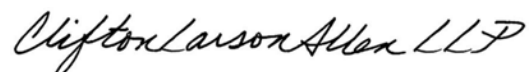
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The supplementary information, such as the combining and individual nonmajor governmental funds, mortgage loan program fund, and single family program fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 14, 2023

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023

This Section of the Illinois Housing Development Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Financial Highlights**

- The Authority's overall net position increased by \$22.5 million, to \$1,289.0 million as of June 30, 2023, from an increase in the Authority's governmental activities of \$40.3 million and a decrease in business-type activities \$17.7 million.
- The Authority's net position from governmental activities increased by \$40.3 million to \$460.2 million during the year. The increase is primarily due to state and federal program revenues of \$69.7 million for Build Illinois Bond Program Fund (BIBP) and \$21.6 million for HOME Program Fund offset by \$36.1 million and \$15.9 million of grant disbursements and general and administrative expenses, respectively. In fiscal year 2023, the Authority drew down an appropriation of \$67.9 million from the Build Illinois Bond Program and received \$19.4 million in federal and state assistance from Housing Urban Development for the HOME Program.
- The Authority's net position from business-type activities decreased by \$17.7 million to \$828.8 million during the current year primarily due to a net decrease in fair value of investments from Single Family Program Fund of \$67.9 million, offset by an increase in interest and other investment income of \$50.5 million due to higher short-term interest rates resulting in higher earnings. Continued increase of bond issuance also resulted in higher investments and related earnings offset by interest expense.
- The Authority's gross debt issuances during the fiscal year ended June 30, 2023, totaled \$939.9 million. The Authority's debt outstanding (net of discounts and premiums) totaled \$2.7 billion as of June 30, 2023, which was \$788.2 million more than the amount outstanding as of June 30, 2022.
- The Authority issued six (6) new series of fixed rate, tax-exempt Revenue Bonds, totaling \$630.0 million, to fund its homeownership loan program. The bonds are secured by Government National Mortgage Association (GNMA) certificates, Fannie Mae (FNMA) mortgage-backed securities, and Freddie Mac (FHLMC) mortgage-backed securities.
- The Authority issued two (2) new series of fixed rate, taxable Revenue Bonds, totaling \$124.1 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.
- The Authority issued one (1) new series of variable rate, tax-exempt Revenue Bonds, totaling \$50.0 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.
- The Authority issued two (2) new series of variable rate, taxable Revenue Bonds, totaling \$80.8 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.
- The Authority issued one (1) series of fixed rate, tax-exempt Multi-Family Revenue Bonds and one (1) series of variable rate, tax-exempt Multi-Family Revenue Bonds totaling \$17.1 million and \$11.7 million respectively, to finance a portion of the acquisition, rehabilitation, and equipping by the Series 2023 B

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

and 2023 C borrower of a 210-unit multi-family residential housing development known as "Autumn Ridge" located in Carol Stream.

- The Authority issued one (1) series of fixed rate, tax-exempt Multi-Family Revenue Bonds totaling \$8.6 million, to finance the refunding of one (1) prior series of Conduit Bonds which previously financed the rehabilitation of a 156-unit multi-family development known as "Major Jenkins," located in Chicago, Illinois.
- During the majority of fiscal year 2023, tax-exempt bond rates were favorable for new issuance, which provided the Authority an opportunity to issue tax-exempt fixed/variable rate long-term bonds in the amount of \$680.0 million, and taxable fixed rate/variable rate long-term bonds in the amount of \$204.9 million in the Single Family Program. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multi-Family Program in the amount of \$37.4 million.
- Program loan originations for fiscal year 2023 totaled \$19.3 million and \$93.4 million in the Authority's governmental and business-type activities, respectively, compared to fiscal year 2022 loan originations of \$68.2 million and \$116.5 million, respectively.
- During the fiscal year, the Authority continued to offer its ACCESS down payment assistance (DPA) programs. The ACCESS Program is available statewide, and offers an affordable, fixed interest rate, and up to \$10,000 to assist eligible borrowers with their down payment and closing costs for the purchase of a new or existing home. Based on program structure and anticipated demand, the Authority's Administrative Fund and excess revenues held under various Authority bond funds are used to fund the ACCESS program. There are 3 Access DPA programs available that are 1) either forgiven monthly over 10 years, 2) repayable with zero percent interest due at maturity when the mortgage is paid in full, the property is sold or refinanced, whichever occurs first, and 3) repayable over 10 years with zero percent interest. The Opening Doors program, funded by BIBP also provides \$6,000 in assistance for down payment and/or closing costs for first-time and non first-time homebuyers. The Opening Doors DPA program is forgiven monthly over 5 years. The Authority also launched the Illinois HFA1 down payment assistance program which provides \$10,000 for down payment assistance and/or closing costs. Illinois HFA1 DPA is repaid with zero percent interest due at maturity, when the mortgage is paid in full, the property is sold or refinanced, whichever occurs first, and repayable over 10 years with zero percent interest. All down payment assistance programs are in the 2nd lien position.
- The Consolidated Appropriations Act (2021) appropriated Emergency Rental Assistance (ERA-1) to the State of Illinois to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. The Illinois Department of Commerce and Economic Opportunity (DCEO) granted the Authority \$493.4 million to administer and manage the ERA-1 program. The Authority expended \$2.8 million through grants and \$2.1 million in general and administrative expenses.
- The American Rescue Plan Act (2021) appropriated funding to the State of Illinois for COVID-19 Emergency Rental Assistance (ERA-2), COVID-19 Homeowner Assistance Fund (HAF), and COVID-19 State and Local Fiscal Recovery Program Fund (SLFRF) which includes COVID-19 Affordable Housing Grant Program (CAHGP), a nonmajor fund in fiscal year 2022. ERA-2 assists households that are unable to pay rent and utilities. HAF assists homeowners who are unable to pay mortgages, utilities, and real estate taxes due to the COVID-19 pandemic. CAHGP provides vital funding for housing

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

developments that have been awarded federal Low-Income Housing Tax Credits to overcome increased costs related to the pandemic. In partnership with the Illinois Emergency Management Agency (IEMA) and the Illinois Department of Human Services (IDHS), the Authority administers and manages the ERA-2 program. The Authority was appropriated \$368.7 million (ERA-2), \$387.0 million (HAF), and \$171.4 million (CAHGP), with \$42.1 million, \$212.1 million, and \$69.5 million expended through grants, and \$7.0 million, \$21.5 million and \$1.3 million in general and administrative expenses, respectively.

- The Authority also partnered with DuPage, Will, Kane and Cook counties to administer and manage their ERA-1 & ERA-2 Programs and SLFRF, which includes Cook County Mortgage Foreclosure Medication Program (CCMFMP), Funds. The Authority expended a combined total \$3.5 million in grants and \$2.2 million and \$0.3 million in general and administrative expenses, respectively.

#### Overview of the Financial Statements

The financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two types of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide information about the Authority's overall financial position and operations. These statements, which are presented on the accrual basis, consist of the statement of net position and the statement of activities.
- The remaining statements are fund financial statements of the Authority's twenty governmental funds, for which activities are funded from State appropriation (grants), U.S. Department of Housing & Urban Development (HUD), and U.S. Treasury Programs, and for which the Authority follows the modified accrual basis of accounting, and three proprietary funds, which operate similar to business activities and for which the Authority follows the accrual basis of accounting.
- The basic financial statements include notes to the financial statements that explain some of the information in the government-wide and fund financial statements, and provide more detailed data.

The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of these statements. The prior year results referred to throughout this section for comparison purposes are as previously reported.

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Most of the Authority's activities are business-type and are reported in its proprietary funds. The fund financial statements provide more detailed information about the Authority's most significant funds but not the Authority as a whole.



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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

The Authority manages two types of funds:

Governmental funds – The Authority is the administrator of twenty governmental funds, of which the revenues are appropriated annually to the Illinois Department of Revenue (IDOR) or received directly from HUD. The Authority also received funding directly from DCEO and the following counties: Will County, DuPage County, and Kane County. These fund statements focus on how cash and other assets flowing into the funds have been used.

Proprietary funds – The Authority's primary activities are in its three enterprise funds for which activities are accounted in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of both tax-exempt and taxable bonds, the proceeds of which are primarily used to provide various types of loans to finance low and moderate-income housing. The net position of these funds represents accumulated earnings since their inception and is generally restricted for program purposes.

Land Bank Capacity Fund was transferred to Nonmajor Governmental Funds from Administrative Fund in FY 2023 – see Note 4 Interfund Balances and Transfers for further details.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**Financial Analysis of the Authority as a Whole**

**Net Position**

The combined net position of the Authority increased by \$22.5 million, or 1.8%, from July 1, 2022, through June 30, 2023. The following table shows a summary of changes from prior year amounts:

**Condensed Statements of Net Position**

| Illinois Housing Development Authority's Net Position<br>(in millions of dollars) |                         |                   |                          |                   |                   |                   |                     |               |
|---|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|---------------------|---------------|
|   | Governmental Activities |                   | Business-Type Activities |                   | Total             |                   | Increase/(Decrease) |               |
|   | 2023                    | 2022              | 2023                     | 2022              | 2023              | 2022              | Amount              | Percentage    |
| <b>Current Assets:</b>  |                         |                   |                          |                   |                   |                   |                     |               |
| Cash and Investments – Unrestricted   | \$ 595.6                | \$ 415.8          | \$ 741.9                 | \$ 831.8          | \$ 1,337.5        | \$ 1,247.6        | \$ 89.9             | 7.2 %         |
| Investments - Restricted  | 37.0                    | 48.3              | 344.9                    | 195.6             | 381.9             | 243.9             | 138.0               | 56.6          |
| Net Program Loans Receivable  | 45.3                    | 35.5              | 18.5                     | 16.4              | 63.8              | 51.9              | 11.9                | 22.9          |
| Other Current Assets  | 39.1                    | 39.4              | 17.9                     | 31.1              | 57.0              | 70.5              | (13.5)              | (19.1)        |
| Total Current Assets  | <u>717.0</u>            | <u>539.0</u>      | <u>1,123.2</u>           | <u>1,074.9</u>    | <u>1,840.2</u>    | <u>1,613.9</u>    | <u>226.3</u>        | <u>14.0</u>   |
| <b>Noncurrent Assets:</b>   |                         |                   |                          |                   |                   |                   |                     |               |
| Investments   | —                       | —                 | 193.2                    | 72.1              | 193.2             | 72.1              | 121.1               | 168.0         |
| Investments – Restricted  | 7.8                     | —                 | 1,850.7                  | 1,262.4           | 1,858.5           | 1,262.4           | 596.1               | 47.2          |
| Net Program Loans Receivable  | 669.9                   | 652.6             | 555.3                    | 524.6             | 1,225.2           | 1,177.2           | 48.0                | 4.1           |
| Capital Assets, Net   | —                       | —                 | 32.7                     | 30.8              | 32.7              | 30.8              | 1.9                 | 6.2           |
| Other Assets  | 0.1                     | 0.2               | 56.5                     | 44.8              | 56.6              | 45.0              | 11.5                | 25.6          |
| Total Noncurrent Assets   | <u>677.8</u>            | <u>652.8</u>      | <u>2,688.4</u>           | <u>1,934.7</u>    | <u>3,366.2</u>    | <u>2,587.5</u>    | <u>778.7</u>        | <u>30.1</u>   |
| Total Assets  | <u>\$ 1,394.8</u>       | <u>\$ 1,191.8</u> | <u>\$ 3,811.6</u>        | <u>\$ 3,009.6</u> | <u>\$ 5,206.4</u> | <u>\$ 4,201.4</u> | <u>\$ 1,005.0</u>   | <u>23.9 %</u> |
| <b>Deferred Outflow of Resources:</b>   |                         |                   |                          |                   |                   |                   |                     |               |
| Accumulated Decrease in Fair Value of Hedge Derivatives                           | \$ —                    | \$ —              | \$ 0.3                   | \$ 0.5            | \$ 0.3            | \$ 0.5            | \$ (0.2)            | (40.0)%       |
| <b>Current Liabilities:</b>   |                         |                   |                          |                   |                   |                   |                     |               |
| Due to Grantees   | 68.1                    | 71.0              | —                        | —                 | 68.1              | 71.0              | (2.9)               | (4.1)         |
| Due to State of Illinois  | 149.2                   | 122.3             | —                        | —                 | 149.2             | 122.3             | 26.9                | 22.0          |
| Bonds and Notes Payable   | —                       | —                 | 138.9                    | 56.1              | 138.9             | 56.1              | 82.8                | 147.6         |
| Deposits Held in Escrow   | —                       | —                 | 153.9                    | 149.2             | 153.9             | 149.2             | 4.7                 | 3.2           |
| Other Current Liabilities   | 399.6                   | 278.0             | 56.5                     | 50.4              | 456.1             | 328.4             | 127.7               | 38.9          |
| Total Current Liabilities   | <u>616.9</u>            | <u>471.3</u>      | <u>349.3</u>             | <u>255.7</u>      | <u>966.2</u>      | <u>727.0</u>      | <u>239.2</u>        | <u>32.9</u>   |
| <b>Noncurrent Liabilities:</b>  |                         |                   |                          |                   |                   |                   |                     |               |
| Due to State of Illinois  | 317.7                   | 300.5             | —                        | —                 | 317.7             | 300.5             | 17.2                | 5.7           |
| Bonds and Notes Payable   | —                       | —                 | 2,597.1                  | 1,891.7           | 2,597.1           | 1,891.7           | 705.4               | 37.3          |
| Other Liabilities   | —                       | —                 | 7.1                      | 8.0               | 7.1               | 8.0               | (0.9)               | (11.3)        |
| Total Noncurrent Liabilities  | <u>317.7</u>            | <u>300.5</u>      | <u>2,604.2</u>           | <u>1,899.7</u>    | <u>2,921.9</u>    | <u>2,200.2</u>    | <u>721.7</u>        | <u>0.3</u>    |
| Total Liabilities   | <u>\$ 934.6</u>         | <u>\$ 771.8</u>   | <u>\$ 2,953.5</u>        | <u>\$ 2,155.4</u> | <u>\$ 3,888.1</u> | <u>\$ 2,927.2</u> | <u>\$ 960.9</u>     | <u>32.8 %</u> |

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

Condensed Statements of Net Position (Continued)

|   | Illinois Housing Development Authority's Net Position<br>(in millions of dollars) |                 |                          |                 |                   |                   |                     |              |
|---|---|-----------------|--------------------------|-----------------|-------------------|-------------------|---------------------|--------------|
|   | Governmental Activities   |                 | Business-Type Activities |                 | Total             |                   | Increase/(Decrease) |              |
|   | 2023  | 2022            | 2023                     | 2022            | 2023              | 2022              | Amount              | Percentage   |
| Deferred Inflow of Resources:                             |   |                 |                          |                 |                   |                   |                     |              |
| Accumulated Increase in Fair Value of Hedging Derivatives | \$ —  | \$ —            | \$ 29.7                  | \$ 8.2          | \$ 29.7           | \$ 8.2            | \$ 21.5             | 262.2 %      |
| Net Position:   |   |                 |                          |                 |                   |                   |                     |              |
| Net Investment in Capital Assets                          | \$ —  | \$ —            | \$ 11.5                  | \$ 8.6          | \$ 11.5           | \$ 8.6            | \$ 2.9              | 33.5 %       |
| Restricted  | 460.2   | 419.9           | 554.2                    | 535.3           | 1,014.4           | 955.2             | 59.1                | 6.2          |
| Unrestricted  | —   | —               | 263.1                    | 302.6           | 263.1             | 302.6             | (39.5)              | (13.1)       |
| Total Net Position  | <u>\$ 460.2</u>   | <u>\$ 419.9</u> | <u>\$ 828.8</u>          | <u>\$ 846.5</u> | <u>\$ 1,289.0</u> | <u>\$ 1,266.4</u> | <u>\$ 22.5</u>      | <u>1.8 %</u> |

**Governmental Activities**

Net position of the Authority's governmental activities increased by \$40.3 million, or 9.6%, to \$460.2 million, primarily due to state and federal program revenues of \$67.9 million for BIBP and \$19.4 million for HOME Program Fund offset by \$36.1 million and \$9.0 million of grant disbursements for BIBP and HOME and \$3.7 million of general and administrative expenses for HOME. The increase from fiscal year 2022 activity was due to an increase in federal and state assistance in the HOME Program and a draw down of funds from the Build Illinois Bond Program. There is no net position for five of the Authority's major governmental funds. The net position of the Illinois Affordable Housing Trust Fund is recorded as Due to the State of Illinois. Revenues from the Rental Housing Support Program Fund, COVID-19 Emergency Rental Assistance Fund, COVID-19 Homeowner Assistance Fund and COVID-19 State and Local Fiscal Recovery Fund are disbursed as grant or administrative expenses, and therefore have no net position.

Total net program loans receivable (current and noncurrent), increased by \$27.2 million, or 4.1%, to \$715.3 million, mainly attributable to increased developments closing in fiscal year 2023 in the HOME and Illinois Affordable Housing Trust Fund programs. Development activity had been stalled during the pandemic, creating a backlog; therefore, picked up in late 2022 into 2023. Cash and Investments increased by \$176.3 million mainly attributable to BIBP draw downs of \$67.9 million of appropriations, higher funding received for COVID-19 Emergency Rental Assistance Program Fund, COVID-19 State and Local Fiscal Recovery Program Fund and decreased grant activity in Rental Housing Support Program Fund and Nonmajor Governmental Funds.

The Authority's liabilities (current and noncurrent) increased by \$162.8 million, mainly due to increased unearned revenue & other liabilities for the COVID-19 Emergency Rental Assistance Fund, COVID-19 State and Local Fiscal Recovery Fund, and Nonmajor Governmental Funds by \$173.4 million, offset by a decrease in the COVID-19 Homeowner Assistance Fund of \$54.3 million. Amounts due to the State of Illinois (current and noncurrent) increased by \$44.1 million. This item reflects a liability for the State of Illinois interest in the net position of the Affordable Housing Trust Fund as the Authority acts only as the administrator of the Housing Program and accounts for the interest in the net position to be that of the State of Illinois.

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YEAR ENDED JUNE 30, 2023

**Business-Type Activities**

The Authority's net position from business-type activities decreased by \$17.7 million, or 2.1%, to \$828.8 million.

Net program loans receivable (current and noncurrent) increased by \$32.8 million, or 6.1%, to \$573.8 million, mainly from the increase in the Mortgage Loan Program Fund \$31.6 million due to loan originations exceeding loan repayments, and the increase in the Administrative Fund \$9.1 million, offset by a decrease in the Single Family Program Fund \$7.9 million.

Cash and investments (current and noncurrent) increased by \$768.8 million, or 32.6%, mainly due to increases in Administrative Fund (\$11.1 million) and the Single Family Program Fund (\$764.2 million) offset by the decrease in Mortgage Loan Program Fund (\$6.4 million). The increase in Single Family Program Fund is primarily due to bond proceeds net of related issuance costs.

Total bonds and notes payable (current and noncurrent) increased by \$788.2 million, or 40.5%, due to increases in the Mortgage Loan Program Fund \$20.3 million and in the Single Family Program Fund \$769.7 million due to continued bond issuances net of principal payments, offset by a decrease in the Administrative Fund of \$1.9 million.

The restricted net position of the Authority's business-type activities increased by \$18.9 million, or 3.5%, mostly due to the increase in the Mortgage Loan Program Fund \$19.3 million, and the Administrative Fund \$0.3 million, offset by a decrease in the Single Family Program Fund \$0.7 million. The net position of the Authority's Bond Funds (Mortgage Loan Program Fund and the Single Family Program Fund) is classified as restricted, except for \$9.7 million net position invested in capital assets within the Mortgage Loan Program Fund. The negative unrestricted net position for Single Family Program Fund is primarily due to (\$67.9 ) million net decrease in fair value of investments in the current fiscal year.

**Statement of Activities**

The statement of activities shows the sources and uses of the Authority's changes in net position as they arise through its various programs and functions.

The governmental activities consist of programs recorded in seven major governmental funds: Illinois Affordable Housing Trust Fund, HOME Program Fund, Rental Housing Support Program Fund, Build Illinois Bond Program Fund, COVID-19 Emergency Rental Assistance Program Fund, COVID-19 Homeowner Assistance Fund, and COVID-19 State and Local Fiscal Recovery Program Fund. Other programs are recorded in Nonmajor Governmental Funds.

The business-type activities consist of two housing lending programs, the results of which are primarily recorded within the funds comprising the two major bond funds (the Mortgage Loan Program Fund and the Single Family Program Fund). Federal assistance activities, which involve the allocation of various federal subsidy funds directly to certain of the Authority's borrowers, the tax credit authorization and monitoring, and Financial Adjustment Factor (FAF) lending programs, both of which activities are recorded in the Authority Administrative Fund.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

A condensed summary of changes in net position for the fiscal year ended June 30, 2023, is shown in the following table.

|  | Changes in Net Position<br>(In millions of dollars) |                 |                          |                 |                   |                   |
|--|---|-----------------|--------------------------|-----------------|-------------------|-------------------|
|  | Governmental Activities                             |                 | Business-Type Activities |                 | Total             |                   |
|  | 2023  | 2022            | 2023                     | 2022            | 2023              | 2022              |
| Revenue:                                       |   |                 |                          |                 |                   |                   |
| Program Revenues:                              |   |                 |                          |                 |                   |                   |
| Charges for Services                           | \$ 22.2   | \$ 4.8          | \$ 73.6                  | \$ 70.0         | \$ 95.8           | \$ 74.8           |
| Operating/Grant/Federal Revenues               | 506.5   | 803.3           | 10.7                     | 19.3            | 517.2             | 822.6             |
| General Revenues:                              |   |                 |                          |                 |                   |                   |
| Investment Income (Loss)                       | —   | —               | 30.7                     | (39.0)          | 30.7              | (39.0)            |
| Total Revenues                                 | <u>528.7</u>  | <u>808.1</u>    | <u>115.0</u>             | <u>50.3</u>     | <u>643.7</u>      | <u>858.4</u>      |
| Expenses:                                      |   |                 |                          |                 |                   |                   |
| Direct   | 431.7   | 799.5           | 122.1                    | 91.5            | 553.8             | 891.0             |
| Administrative                                 | 56.6  | 59.9            | 10.7                     | 19.9            | 67.3              | 79.8              |
| Total Expenses                                 | <u>488.3</u>  | <u>859.4</u>    | <u>132.8</u>             | <u>111.4</u>    | <u>621.1</u>      | <u>970.8</u>      |
| General Revenues and Transfers:                |   |                 |                          |                 |                   |                   |
| Transfers In/Out                               | (0.2)   | —               | 0.2                      | —               | —                 | —                 |
| Total General Revenues and Transfers           | <u>(0.2)</u>  | <u>—</u>        | <u>0.2</u>               | <u>—</u>        | <u>—</u>          | <u>—</u>          |
| Increase (Decrease) in Net Position            | 40.2  | (51.3)          | (17.6)                   | (61.1)          | 22.6              | (112.4)           |
| Net Position at Beginning of the Year          | <u>419.9</u>  | <u>471.2</u>    | <u>846.5</u>             | <u>903.5</u>    | <u>1,266.4</u>    | <u>1,374.7</u>    |
| Change in Accounting Principle                 | —   | —               | —                        | 4.1             | —                 | 4.1               |
| Net Position at Beginning of Year, as Restated | <u>419.9</u>  | <u>471.2</u>    | <u>846.5</u>             | <u>907.6</u>    | <u>1,266.4</u>    | <u>1,378.8</u>    |
| Net Position at End of the Year                | <u>\$ 460.1</u>                                     | <u>\$ 419.9</u> | <u>\$ 828.9</u>          | <u>\$ 846.5</u> | <u>\$ 1,289.0</u> | <u>\$ 1,266.4</u> |

**Governmental Activities**

Revenues of the Authority's governmental activities, decreased by \$279.4 million from the prior year, due to decreases in the COVID-19 Emergency Rental Assistance Fund (ERA) \$643.4 million and the Rental Housing Support Program (RHSP) \$6.2 million in grant activities. The decrease was partially offset by increases in grant activities in the COVID-19 Homeowner Assistance Fund (HAF) \$232.4 million, Build Illinois Bond Program (BIBP) \$65.6 million, COVID-19 State and Local Fiscal Recovery Fund (CAHGP) \$50.9 million and Illinois Affordable Housing Trust Fund (IAHTF) \$20.4 million. The key driver of the increases is that the HAF and CAHGP programs were started in fiscal year 2022 and were fully active all of fiscal year 2023. The revenue increase is due to the Authority drawing down \$67.9 million of the BIBP appropriation and \$19.4 million of HUD assistance for HOME. The decrease in ERA is due to ERA1 closing in fiscal year 2023.

Direct expenses of the Authority's governmental activities decreased by \$367.8 million from the prior year, due to decreases in the COVID-19 Emergency Rental Assistance Fund from ERA1 and DuPage, Kane and Will counties ERA1 programs closing out in fiscal year 2023 which amounted to \$643.4 million and lower grants

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YEAR ENDED JUNE 30, 2023

issued for Build Illinois Bond Program \$10.0 million, offset by increases in the COVID-19 Homeowner Assistance Fund \$232.4 million, and COVID-19 State and Local Fiscal Recovery Fund \$50.9 million due to HAF and SLFRF fully active all fiscal year 2023.

**Business-Type Activities**

Revenues of the Authority's business-type activities increased by \$64.7 million from the prior year, due to increases in investment income \$69.7 million, and an increase in charges for services \$3.6 million, offset by a decrease in operating/grant/federal revenues \$8.6 million.

Direct expenses of the Authority's business-type activities increased by \$30.6 million, primarily due to an increase in interest expense of \$29.0 million on the Authority debt incurred to fund its various lending programs. There is an increase in program grants of \$6.1 million, an increase in salaries and benefits \$3.6 million, an increase in financing costs of \$3.4 million, and an increase in provision for estimated losses on real estate held for sale of \$0.3 million offset by decrease in other general and administrative of \$2.5 million, a decrease in provision for (reversal of) estimated losses on program loans receivable of \$6.4 million, a decrease in change in accrual for estimated losses on mortgage participation certificate program of \$0.4 million, and decrease in professional fees of \$3.7 million,

Program revenues of the Mortgage Loan Program exceeded direct expenses by \$22.0 million (see Statement of Revenue, Expenses and Change in Fund Net Position - Proprietary Funds). The Authority's business-type activities had \$30.7 million of restricted/unrestricted net investment gain (see the Statement of Activities).

**Proprietary Fund Results**

The net position of the Authority's proprietary funds decreased by \$17.7 million to \$828.8 million from June 30, 2022 to June 30, 2023. The following table summarizes the revenues, expenses, and changes in fund net position of the Authority's proprietary funds:

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**YEAR ENDED JUNE 30, 2023**

Changes in Net Position/Proprietary Funds  
(In millions of dollars)

|  | Administrative Fund |                 | Mortgage Loan Program Fund |                 | Single Family Program Fund |                 |
|--|---------------------|-----------------|----------------------------|-----------------|----------------------------|-----------------|
|  | 2023                | 2022            | 2023                       | 2022            | 2023                       | 2022            |
| <b>Operating Revenues:</b>   |                     |                 |                            |                 |                            |                 |
| Interest Earned on Program Loans   | \$ 0.8              | \$ 0.6          | \$ 16.4                    | \$ 15.3         | \$ 4.0                     | \$ 4.8          |
| Interest and Other Income  | 24.8                | 20.2            | 11.9                       | 1.3             | 64.7                       | 29.4            |
| Service Fees   | 13.5                | 11.3            | —                          | —               | —                          | —               |
| Development Fees   | 7.6                 | 8.5             | —                          | —               | —                          | —               |
| HUD Savings  | 0.3                 | 0.7             | —                          | —               | —                          | —               |
| Tax Credit Reservation and Monitoring Fees   | 11.4                | 9.4             | —                          | —               | —                          | —               |
| Other  | 6.4                 | 6.3             | 13.3                       | 12.3            | —                          | —               |
| <b>Total Operating Revenues</b>  | <b>64.8</b>         | <b>57.0</b>     | <b>41.6</b>                | <b>28.9</b>     | <b>68.7</b>                | <b>34.2</b>     |
| <b>Operating Expenses:</b>   |                     |                 |                            |                 |                            |                 |
| Interest Expense   | 2.4                 | 0.6             | 12.8                       | 9.5             | 49.5                       | 25.6            |
| Salaries and Benefits  | 27.8                | 24.2            | —                          | —               | —                          | —               |
| Professional Fees  | 1.6                 | 5.3             | —                          | —               | —                          | —               |
| Amortization Expense - Lease   | 1.4                 | 1.3             | —                          | —               | —                          | —               |
| Amortization Expense - SBITA   | 1.1                 | —               | —                          | —               | —                          | —               |
| Other General and Administrative   | 2.0                 | 3.0             | 6.6                        | 8.1             | 0.3                        | 0.3             |
| Financing Costs  | 2.6                 | 1.4             | 0.1                        | 0.2             | 6.8                        | 4.5             |
| Program Grants   | 4.1                 | 3.2             | —                          | —               | 5.2                        | —               |
| Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program | 0.5                 | 0.9             | —                          | —               | —                          | —               |
| Provision for (Reversal of) Estimated Losses on Program Loans Receivable             | (2.6)               | 3.5             | 0.1                        | (0.2)           | (0.9)                      | (0.3)           |
| Provision for Estimated Losses on Real Estate Held for Sale                          | —                   | —               | —                          | —               | 0.6                        | 0.3             |
| <b>Total Operating Expenses</b>  | <b>40.9</b>         | <b>43.4</b>     | <b>19.6</b>                | <b>17.6</b>     | <b>61.5</b>                | <b>30.4</b>     |
| <b>Operating Income / Loss</b>   | <b>23.9</b>         | <b>13.6</b>     | <b>22.0</b>                | <b>11.3</b>     | <b>7.2</b>                 | <b>3.8</b>      |
| <b>Nonoperating Revenues and Expenses</b>  |                     |                 |                            |                 |                            |                 |
| Gain/Loss on Investment Sale Revenue   | (1.3)               | 49.4            | —                          | —               | 0.9                        | (0.2)           |
| Net Increase (Decrease) in Fair Value of Investments                                 | (1.9)               | (7.9)           | (0.5)                      | (2.0)           | (67.9)                     | (129.3)         |
| State Assistance Revenues  | —                   | 0.7             | —                          | —               | —                          | —               |
| State Assistance Expenses  | —                   | (0.7)           | —                          | —               | —                          | —               |
| Federal Assistance Programs Revenues   | 10.7                | 19.3            | —                          | —               | —                          | —               |
| Federal Assistance Programs Expenses   | (10.7)              | (19.3)          | —                          | —               | —                          | —               |
| <b>Total Nonoperating Revenues and Expenses</b>                                      | <b>(3.2)</b>        | <b>41.5</b>     | <b>(0.5)</b>               | <b>(2.0)</b>    | <b>(67.0)</b>              | <b>(129.5)</b>  |
| Capital Contribution   | —                   | 0.1             | —                          | —               | —                          | —               |
| Transfers  | (0.3)               | (12.9)          | —                          | 0.1             | 0.4                        | 12.8            |
| <b>Change in Net Position</b>  | <b>20.4</b>         | <b>42.3</b>     | <b>21.5</b>                | <b>9.4</b>      | <b>(59.4)</b>              | <b>(112.9)</b>  |
| Net Position at Beginning of Year  | 371.0               | 324.6           | 368.5                      | 359.1           | 107.0                      | 219.9           |
| Change in Accounting Principle   | —                   | 4.1             | —                          | —               | —                          | —               |
| Net Position at Beginning of Year, as Restated                                       | 371.0               | 328.7           | —                          | —               | —                          | —               |
| <b>Net Position at End of Year</b>   | <b>\$ 391.4</b>     | <b>\$ 371.0</b> | <b>\$ 390.0</b>            | <b>\$ 368.5</b> | <b>\$ 47.6</b>             | <b>\$ 107.0</b> |

The net position of the Administrative Fund increased by \$20.4 million compared to prior year increase of \$42.3 million. Administrative Fund operating income was \$23.9 million, an increase of \$10.3 million compared to prior year operating income of \$13.6 million, and net transfers out were \$0.3 million, compared to \$12.9 million in the prior year. The increase in fiscal year 2023 operating income was primarily due to the increases in: service fees \$2.2 million, tax credit reservation and monitoring fees \$2.0 million, interest and other investment income \$4.6 million and lower professional fees \$3.7 million and other general and administrative \$1.0 million

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offset by a decrease in development fees \$0.9 million, higher salaries and benefits of \$3.6 million, higher interest expense \$1.8 million, and higher financing cost \$1.2 million.

The net position of the Mortgage Loan Program Fund increased by \$21.5 million, compared to the prior year's increase of \$9.4 million. Operating income was \$22.0 million, an increase of \$10.7 million from prior year, mainly due to an increase in interest earned on program loans \$1.1 million, an increase in interest and other income \$10.6 million, other income \$1.0 million and lower other general and administrative \$1.5 million, offset by higher interest expense \$3.3 million.

The net position of the Single Family Program Fund decreased by \$59.4 million, compared to the prior year's decrease of \$112.9 million. The decrease in current year is primarily due to net decrease in fair value of investments \$67.9 million. Operating income was \$7.2 million, an increase of \$3.4 million compared to prior year operating income mainly due to an increase in interest and other income \$35.3 million, offset by a decrease in interest earned on program loans \$0.8 million, increase in financing cost \$2.3 million, program grants \$5.2 million and interest expense \$23.9 million.

The increase in interest and other income in the Proprietary Funds was due to higher short-term interest rates resulting in higher earnings. Continued increase of bond issuance in Mortgage Loan Program Fund and Single Family Program Fund also resulted in higher investments and related earnings offset by interest expense.

#### **Non-operating Revenues and Expenses**

Total fiscal year 2023 non-operating revenues and expenses increased by \$19.3 million to \$70.7 million, compared to fiscal year 2022 of \$90.0 million. The increase was primarily due to \$68.9 million improvement in fair value of investments, offset by a \$49.6 million decline in gain on investment sale revenue.

#### **Authority Debt**

Authority gross debt issuances during the fiscal year 2023 totaled \$3,087.3 million with the issuance of Revenue Bonds (\$884.9 million) and premium on Revenue Bonds (\$17.6 million) within the Single Family Program Fund, Multi-Family Revenue Bonds (\$37.4 million), and Federal Home Loan Bank Advances (\$2,147.4 million). Debt retirements within the Mortgage Loan Program, Single Family Program, and Administrative Funds were \$17.1 million, \$128.4 million, and \$2,149.3 million, respectively. Net premium and discount on debt retirements that were fully amortized amounted to \$4.4 million. Total bonds and notes payable increased by \$788.2 million. For additional information, see Note 8 – Bonds and Notes Payable in the Notes to the Financial Statements.

Pursuant to the IHDA Act, the Authority has the power to hold up to \$7.2 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. As of June 30, 2023, amounts outstanding against this limitation were approximately \$4.6 billion.

As of June 30, 2023, the Authority's Issuer Credit Ratings were A1 (Stable) by Moody's Investors Service, AA (Stable) by Standard and Poor's (S&P) and AA (Stable) by Fitch Ratings. The rating on all General Obligation ("GO") debt was upgraded by both S&P and Fitch to AA from AA-.



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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**Economic Factors and Outlook**

During the majority of fiscal year 2023, tax-exempt bond rates were favorable for new issuance, which provided the Authority an opportunity to issue tax-exempt fixed/variable rate long-term bonds in the amount of \$680.0 million, and taxable fixed/variable rate long-term bonds in the amount of \$204.9 million in the Single Family Program. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multi-Family Program in the amount of \$37.4 million.

During fiscal year 2023, the Authority also financed a portion of its activity relating to homeownership in the State of Illinois through the sale of mortgage-backed securities to the secondary market. The Authority uses forward commitments to lock in the price of securities related to secondary market sales.

As a result of the global outbreak of COVID-19, the Authority administers new programs, with federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) which established the COVID-19 Coronavirus Relief Fund (CRF) program and may be asked to administer additional programs in the future in response to the pandemic.

The Consolidated Appropriations Act (2021) established the COVID-19 Emergency Rental Assistance (ERA1) to assist eligible households with financial assistance and housing stability services.

The American Rescue Plan Act (2021) established the COVID-19 Emergency Rental Assistance (ERA2), COVID-19 Homeowner Assistance Fund (HAF) and State and Local Fiscal Recovery Fund (SLFRF) programs. COVID-19 Affordable Housing Grant program (CAHGP) was appropriated as part of the State of Illinois' SLFRF program. ERA2 assists households that are unable to pay rent and utilities. HAF assists homeowners who are unable to pay mortgages, utilities, and real estate taxes due to the COVID-19 pandemic. CAHGP provides vital funding for housing developments that have been awarded federal Low-Income Housing Tax Credits to overcome increased costs related to the pandemic. In partnership with the Illinois Department of Human Services (IDHS), the Authority administers and manages the ERA2 program.

As the Authority moves into fiscal year 2024 and into the future, the Authority will continue to explore new methods to expand its Single Family and Multi-Family lending activities that are consistent with the State's housing needs. The Authority will collaboratively work with other housing entities and stakeholders to provide effective and efficient housing solutions. The Authority will continue to explore solutions to prevent foreclosures by providing assistance to eligible homeowners who have and may still be experiencing significant financial hardship.

At this time, the Authority is not aware of any other facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

**Capital Asset Activity**

The Authority had no significant capital asset activity in fiscal year 2023. More details on capital asset activity can be found in Note 7 – Capital Asset in the Notes to the Financial Statements.

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**Contacting the Authority's Financial Management**

This financial report is designed to provide the citizens of Illinois, our constituents, and investors with a general overview of the Authority's finances and to demonstrate the Authority's financial accountability over its resources. If you have questions about this report or need additional financial information, contact the Controller at the Illinois Housing Development Authority, 111 E. Wacker Drive, Suite 1000, Chicago, IL 60601, or visit our web site at: [www.ihda.org](http://www.ihda.org).

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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STATEMENT OF NET POSITION (DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

| <b>Assets</b>   | Governmental<br>Activities | Business-Type<br>Activities | Total     |
|---|----------------------------|-----------------------------|-----------|
| <b>Current Assets:</b>                                    |                            |                             |           |
| Cash and Cash Equivalents                                 | \$ —                       | \$ 93,463                   | \$ 93,463 |
| Cash and Cash Equivalents - Restricted                    | 595,578                    | 622,760                     | 1,218,338 |
| Total Cash and Cash Equivalents                           | 595,578                    | 716,223                     | 1,311,801 |
| Investments   | —                          | 25,628                      | 25,628    |
| Investments - Restricted                                  | 37,009                     | 344,944                     | 381,953   |
| Investment Income Receivable                              | —                          | 1,567                       | 1,567     |
| Investment Income Receivable - Restricted                 | 92                         | 9,906                       | 9,998     |
| Program Loans Receivable                                  | 45,265                     | 18,486                      | 63,751    |
| Grant Receivable  | 32,002                     | —                           | 32,002    |
| Interest Receivable on Program Loans                      | 257                        | 1,941                       | 2,198     |
| Other   | 792                        | 10,496                      | 11,288    |
| Internal Balances   | 6,037                      | (6,037)                     | —         |
| Total Current Assets                                      | 717,032                    | 1,123,154                   | 1,840,186 |
| <b>Noncurrent Assets:</b>                                 |                            |                             |           |
| Investments   | —                          | 193,235                     | 193,235   |
| Investments - Restricted                                  | 7,781                      | 1,850,694                   | 1,858,475 |
| Program Loans Receivable, Net of Current Portion          | 777,656                    | 566,721                     | 1,344,377 |
| Less Allowance for Estimated Losses                       | (107,755)                  | (11,373)                    | (119,128) |
| Net Program Loans Receivable                              | 669,901                    | 555,348                     | 1,225,249 |
| Real Estate Held for Sale                                 | —                          | 513                         | 513       |
| Less Allowance for Estimated Losses                       | —                          | (411)                       | (411)     |
| Net Real Estate Held for Sale                             | —                          | 102                         | 102       |
| Due from Fannie Mae                                       | —                          | 29,386                      | 29,386    |
| Due from Freddie Mac                                      | —                          | 4,305                       | 4,305     |
| Capital Assets, Net                                       | —                          | 32,747                      | 32,747    |
| Derivative Instrument Asset                               | —                          | 21,182                      | 21,182    |
| Other   | 29                         | 1,571                       | 1,600     |
| Total Noncurrent Assets                                   | 677,711                    | 2,688,570                   | 3,366,281 |
| Total Assets  | 1,394,743                  | 3,811,724                   | 5,206,467 |
| <b>Deferred Outflows of Resources</b>                     |                            |                             |           |
| Accumulated Decrease in Fair Value of Hedging Derivatives | —                          | 291                         | 291       |
| Total Deferred Outflows of Resources                      | —                          | 291                         | 291       |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

|   | Governmental<br>Activities | Business-Type<br>Activities | Total        |
|---|----------------------------|-----------------------------|--------------|
| <b>Liabilities</b>                              |                            |                             |              |
| <b>Current Liabilities:</b>                     |                            |                             |              |
| Due to Grantees                                 | \$ 68,097                  | \$ —                        | \$ 68,097    |
| Due to State of Illinois                        | 149,205                    | —                           | 149,205      |
| Bonds and Notes Payable                         | —                          | 138,885                     | 138,885      |
| Accrued Interest Payable                        | —                          | 23,510                      | 23,510       |
| Unearned Revenue                                | 399,511                    | 815                         | 400,326      |
| Deposits Held in Escrow                         | —                          | 153,923                     | 153,923      |
| Lease Liability                                 | —                          | 1,365                       | 1,365        |
| Subscription Liability                          | —                          | 840                         | 840          |
| Accrued Liabilities and Other                   | 49                         | 30,029                      | 30,078       |
| Total Current Liabilities                       | 616,862                    | 349,367                     | 966,229      |
| <b>Noncurrent Liabilities:</b>                  |                            |                             |              |
| Due to State of Illinois                        | 317,726                    | —                           | 317,726      |
| Bonds and Notes Payable, Net of Current Portion | —                          | 2,597,060                   | 2,597,060    |
| Unearned Revenue                                | —                          | 1,585                       | 1,585        |
| Lease Liability, Net of Current Portion         | —                          | 3,008                       | 3,008        |
| Subscription Liability, Net of Current Portion  | —                          | 2,205                       | 2,205        |
| Derivative Instrument Liability                 | —                          | 291                         | 291          |
| Total Noncurrent Liabilities                    | 317,726                    | 2,604,149                   | 2,921,875    |
| Total Liabilities                               | 934,588                    | 2,953,516                   | 3,888,104    |
| <b>Deferred Inflows of Resources</b>            |                            |                             |              |
| Accumulated Increase in Fair Value of Hedging   |                            |                             |              |
| Derivatives                                     | —                          | 21,182                      | 21,182       |
| Unearned Revenue                                | —                          | 8,470                       | 8,470        |
| Total Deferred Inflows of Resources             | —                          | 29,652                      | 29,652       |
| <b>Net Position</b>                             |                            |                             |              |
| Net Investment in Capital Assets                | —                          | 11,544                      | 11,544       |
| Restricted for Bond Resolution Purposes         | —                          | 507,702                     | 507,702      |
| Restricted for Loan and Grant Programs          | 460,155                    | 46,483                      | 506,638      |
| Unrestricted                                    | —                          | 263,118                     | 263,118      |
| Total Net Position                              | \$ 460,155                 | \$ 828,847                  | \$ 1,289,002 |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF ACTIVITIES  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023

| Functions/programs                             | Expenses   | Program Revenues                         |                                  |                       | Net (Expenses) Revenues and Changes in Net Position |                          |              |
|--|------------|--|----------------------------------|-----------------------|---|--------------------------|--------------|
|  |            | Charges for Services and Interest Income | Operating Grant/Federal Revenues | Capital Contributions | Governmental Activities                             | Business-Type Activities | Total        |
| <b>Governmental Activities:</b>                |            |  |                                  |                       |   |                          |              |
| Illinois Affordable Housing Trust Program      | \$ 30,113  | \$ 2,716                                 | \$ 27,397                        | \$ —                  | \$ —  | \$ —                     | \$ —         |
| HOME Program                                   | 15,863     | 2,186                                    | 19,419                           | —                     | 5,742   | —                        | 5,742        |
| Rental Housing Support Program                 | 13,194     | 1,917                                    | 11,277                           | —                     | —   | —                        | —            |
| Build Illinois Bond Program Fund               | 36,073     | 1,759                                    | 67,925                           | —                     | 33,611  | —                        | 33,611       |
| COVID-19 Emergency Rental Assistance Fund      | 65,216     | 2,876                                    | 62,340                           | —                     | —   | —                        | —            |
| COVID 19 - Homeowner Assistance Fund           | 239,451    | 5,859                                    | 233,592                          | —                     | —   | —                        | —            |
| COVID 19 -State and Local Fiscal Recovery Fund | 74,857     | 3,707                                    | 71,150                           | —                     | —   | —                        | —            |
| Other Programs                                 | 13,508     | 1,143                                    | 13,433                           | —                     | 1,068   | —                        | 1,068        |
| Total Governmental Activities                  | 488,275    | 22,163                                   | 506,533                          | —                     | 40,421  | —                        | 40,421       |
| <b>Business-Type Activities:</b>               |            |  |                                  |                       |   |                          |              |
| Administrative Programs                        | 51,553     | 39,966                                   | 10,661                           | —                     | —   | (926)                    | (926)        |
| Mortgage Loan Programs                         | 19,713     | 29,689                                   | —                                | —                     | —   | 9,976                    | 9,976        |
| Single Family Mortgage Loan Programs           | 61,535     | 3,980                                    | —                                | —                     | —   | (57,555)                 | (57,555)     |
| Total Business-Type Activities                 | 132,801    | 73,635                                   | 10,661                           | —                     | —   | (48,505)                 | (48,505)     |
| Total Authority                                | \$ 621,076 | \$ 95,798                                | \$ 517,194                       | \$ —                  | 40,421  | (48,505)                 | (8,084)      |
| <b>General Revenues and Transfers:</b>         |            |  |                                  |                       |   |                          |              |
| Net Investment Gain                            |            |  |                                  |                       | —   | 30,684                   | 30,684       |
| Transfers                                      |            |  |                                  |                       | (174)   | 174                      | —            |
| Total General Revenues and Transfers           |            |  |                                  |                       | (174)   | 30,858                   | 30,684       |
| Change in Net Position                         |            |  |                                  |                       | 40,247  | (17,647)                 | 22,600       |
| Net Position at Beginning of Year              |            |  |                                  |                       | 419,908   | 846,494                  | 1,266,402    |
| Net Position - End Of Year                     |            |  |                                  |                       | \$ 460,155  | \$ 828,847               | \$ 1,289,002 |

See accompanying notes to the financial statements.

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023**

|   | Major Funds                                     |                         |   |  |   |   |   |                                   | Total                |
|---|---|-------------------------|---|--|---|---|---|-----------------------------------|----------------------|
|   | Illinois<br>Affordable<br>Housing<br>Trust Fund | HOME<br>Program<br>Fund | Rental<br>Housing<br>Support<br>Program<br>Fund | Build<br>Illinois Bond<br>Program Fund | COVID 19 -<br>Emergency<br>Rental<br>Assistance<br>Program Fund | COVID 19 -<br>Homeowner<br>Assistance<br>Fund | COVID-19 State and<br>Local Fiscal<br>Recovery Fund | Nonmajor<br>Governmental<br>Funds |                      |
| <b>Assets</b>   |   |                         |   |  |   |   |   |                                   |                      |
| <b>Current Assets:</b>  |   |                         |   |  |   |   |   |                                   |                      |
| Cash and Cash Equivalents - Restricted  | \$ 105,524                                      | \$ 10,535               | \$ 13,820                                       | \$ 61,275                              | \$ 108,782  | \$ 150,009                                    | \$ 134,779  | \$ 10,854                         | \$ 595,578           |
| Investments - Restricted  | —   | —                       | 37,009  | —                                      | —   | —   | —   | —                                 | 37,009               |
| Investment Income Receivable - Restricted                                       | —   | —                       | 92  | —                                      | —   | —   | —   | —                                 | 92                   |
| Program Loans Receivable  | 21,299  | 23,601                  | —   | 26                                     | —   | —   | —   | 339                               | 45,265               |
| Grant Receivable  | 22,577  | —                       | 9,425   | —                                      | —   | —   | —   | —                                 | 32,002               |
| Interest Receivable on Program Loans  | 103   | 141                     | —   | —                                      | —   | —   | —   | 13                                | 257                  |
| Other   | —   | —                       | —   | —                                      | 792   | —   | —   | —                                 | 792                  |
| Due from Other Funds  | 2,190   | 1,836                   | —   | —                                      | 1,350   | 1,857   | —   | 17                                | 7,250                |
| <b>Total Current Assets</b>   | <b>151,693</b>                                  | <b>36,113</b>           | <b>60,346</b>                                   | <b>61,301</b>                          | <b>110,924</b>  | <b>151,866</b>                                | <b>134,779</b>                                      | <b>11,223</b>                     | <b>718,245</b>       |
| <b>Noncurrent Assets:</b>   |   |                         |   |  |   |   |   |                                   |                      |
| Investments, restricted   | —   | —                       | 7,781   | —                                      | —   | —   | —   | —                                 | 7,781                |
| Program Loans Receivable, Net of Current<br>Less Allowance for Estimated Losses | 366,497<br>(51,259)                             | 307,121<br>(34,943)     | —   | 10,640<br>(3,815)                      | —   | —   | —   | 93,398<br>(17,738)                | 777,656<br>(107,755) |
| Net Program Loans Receivable  | 315,238   | 272,178                 | —   | 6,825                                  | —   | —   | —   | 75,660                            | 669,901              |
| Other   | —   | —                       | —   | —                                      | 28  | —   | —   | 1                                 | 29                   |
| <b>Total Noncurrent Assets</b>  | <b>315,238</b>                                  | <b>272,178</b>          | <b>7,781</b>                                    | <b>6,825</b>                           | <b>28</b>   | <b>—</b>                                      | <b>—</b>  | <b>75,661</b>                     | <b>677,711</b>       |
| <b>Total Assets</b>   | <b>\$ 466,931</b>                               | <b>\$ 308,291</b>       | <b>\$ 68,127</b>                                | <b>\$ 68,126</b>                       | <b>\$ 110,952</b>   | <b>\$ 151,866</b>                             | <b>\$ 134,779</b>                                   | <b>\$ 86,884</b>                  | <b>\$ 1,395,956</b>  |
| <b>Liabilities and Fund Balances</b>  |   |                         |   |  |   |   |   |                                   |                      |
| <b>Current liabilities:</b>   |   |                         |   |  |   |   |   |                                   |                      |
| Due to Grantees   | \$ —  | \$ —                    | \$ 68,097                                       | \$ —                                   | \$ —  | \$ —  | \$ —  | \$ —                              | \$ 68,097            |
| Due to State of Illinois  | 149,205   | —                       | —   | —                                      | —   | —   | —   | —                                 | 149,205              |
| Unearned Revenue  | —   | 141                     | —   | —                                      | 110,926   | 151,849                                       | 134,025   | 2,724                             | 399,665              |
| Accrued Liabilities and Other   | —   | —                       | —   | —                                      | 26  | 17  | —   | 6                                 | 49                   |
| Due to Other Funds  | —   | —                       | 30  | 139                                    | —   | —   | 754   | 290                               | 1,213                |
| <b>Total Current Liabilities</b>  | <b>149,205</b>                                  | <b>141</b>              | <b>68,127</b>                                   | <b>139</b>                             | <b>110,952</b>  | <b>151,866</b>                                | <b>134,779</b>                                      | <b>3,020</b>                      | <b>618,229</b>       |
| <b>Noncurrent Liabilities:</b>  |   |                         |   |  |   |   |   |                                   |                      |
| Due to State of Illinois  | 317,726   | —                       | —   | —                                      | —   | —   | —   | —                                 | 317,726              |
| <b>Total Liabilities</b>  | <b>466,931</b>                                  | <b>141</b>              | <b>68,127</b>                                   | <b>139</b>                             | <b>110,952</b>  | <b>151,866</b>                                | <b>134,779</b>                                      | <b>3,020</b>                      | <b>935,955</b>       |
| <b>Fund Balances:</b>   |   |                         |   |  |   |   |   |                                   |                      |
| Restricted  | —   | 308,150                 | —   | 67,987                                 | —   | —   | —   | 83,864                            | 460,001              |
| <b>Total Fund Balances Total</b>  | <b>—</b>  | <b>308,150</b>          | <b>—</b>  | <b>67,987</b>                          | <b>—</b>  | <b>—</b>                                      | <b>—</b>  | <b>83,864</b>                     | <b>460,001</b>       |
| <b>Liabilities and Fund Balances</b>  | <b>\$ 466,931</b>                               | <b>\$ 308,291</b>       | <b>\$ 68,127</b>                                | <b>\$ 68,126</b>                       | <b>\$ 110,952</b>   | <b>\$ 151,866</b>                             | <b>\$ 134,779</b>                                   | <b>\$ 86,884</b>                  | <b>\$ 1,395,956</b>  |

Amounts reported for Governmental Activities in the Statement of Net Position are:  
different due to:

Unearned Interest Receivable on Certain  
Program Loans Receivable

\$ 154

**Net Position of Governmental  
Activities**

**\$ 460,155**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**(DOLLARS IN THOUSANDS)**  
**YEAR ENDED JUNE 30, 2023**

|  | Major Funds                            |                   |                                     |                                  |   |                                    |   |                             | Total             |
|--|--|-------------------|-------------------------------------|----------------------------------|---|------------------------------------|---|-----------------------------|-------------------|
|  | Illinois Affordable Housing Trust Fund | HOME Program Fund | Rental Housing Support Program Fund | Build Illinois Bond Program Fund | COVID-19 Emergency Rental Assistance Program Fund | COVID-19 Homeowner Assistance Fund | COVID-19 State and Local Fiscal Recovery Program Fund | Nonmajor Governmental Funds |                   |
| <b>Revenues:</b>   |  |                   |                                     |                                  |   |                                    |   |                             |                   |
| Grants from State of Illinois  | \$ 27,397                              | \$ —              | \$ 11,277                           | \$ 67,925                        | \$ —  | \$ —                               | \$ —  | \$ 851                      | \$ 107,450        |
| Federal Funds  | —                                      | 19,419            | —                                   | —                                | 62,340  | 233,592                            | 71,150  | 12,582                      | 399,083           |
| Interest and Other Investment Income   | 2,716                                  | 2,192             | 1,985                               | 1,759                            | 2,876   | 5,858                              | 3,707   | 226                         | 21,319            |
| Net Inc/Dec Fair Value Investment  | —                                      | —                 | (68)                                | —                                | —   | —                                  | —   | —                           | (68)              |
| Other Income   | —                                      | 1                 | —                                   | —                                | —   | 1                                  | —   | 928                         | 930               |
| <b>Total Revenues</b>  | <b>30,113</b>                          | <b>21,612</b>     | <b>13,194</b>                       | <b>69,684</b>                    | <b>65,216</b>                                     | <b>239,451</b>                     | <b>74,857</b>   | <b>14,587</b>               | <b>528,714</b>    |
| <b>Expenditures:</b>   |  |                   |                                     |                                  |   |                                    |   |                             |                   |
| Debt Services:   |  |                   |                                     |                                  |   |                                    |   |                             |                   |
| Principal  | —                                      | —                 | —                                   | —                                | 316   | 585                                | —   | —                           | 901               |
| Interest   | —                                      | —                 | —                                   | —                                | 11  | 20                                 | —   | —                           | 31                |
| General and Administrative   | 14,898                                 | 3,678             | 474                                 | 1                                | 13,576  | 20,875                             | 1,642   | 1,473                       | 56,617            |
| Grants   | 12,499                                 | 8,998             | 12,720                              | 36,087                           | 48,302  | 212,071                            | 69,508  | 12,720                      | 412,905           |
| Financing Costs  | —                                      | 1                 | —                                   | —                                | 135   | 42                                 | 3,707   | 1                           | 179               |
| Program Income Transferred to State of Illinois  | 2,716                                  | —                 | —                                   | —                                | 2,876   | 5,858                              | —   | 55                          | 15,212            |
| Provision for (Reversal of) Estimated Losses on Program Loans Receivable                             | —                                      | 3,186             | —                                   | (15)                             | —   | —                                  | —   | (741)                       | 2,430             |
| <b>Total Expenditures</b>  | <b>30,113</b>                          | <b>15,863</b>     | <b>13,194</b>                       | <b>36,073</b>                    | <b>65,216</b>                                     | <b>239,451</b>                     | <b>74,857</b>   | <b>13,508</b>               | <b>488,275</b>    |
| <b>Excess of Revenues Over Expenditures</b>  | <b>—</b>                               | <b>5,749</b>      | <b>—</b>                            | <b>33,611</b>                    | <b>—</b>  | <b>—</b>                           | <b>—</b>  | <b>1,079</b>                | <b>40,439</b>     |
| Other Financing Sources (Uses):  |  |                   |                                     |                                  |   |                                    |   |                             |                   |
| Transfer in  | —                                      | —                 | —                                   | —                                | —   | —                                  | —   | —                           | —                 |
| Transfer out   | —                                      | —                 | —                                   | —                                | —   | —                                  | —   | (174)                       | (174)             |
| <b>Total Other Financing Sources (Uses)</b>  | <b>—</b>                               | <b>—</b>          | <b>—</b>                            | <b>—</b>                         | <b>—</b>  | <b>—</b>                           | <b>—</b>  | <b>(174)</b>                | <b>(174)</b>      |
| <b>Net Change in Fund Balances</b>   | <b>—</b>                               | <b>5,749</b>      | <b>—</b>                            | <b>33,611</b>                    | <b>—</b>  | <b>—</b>                           | <b>—</b>  | <b>905</b>                  | <b>40,265</b>     |
| Fund Balances at Beginning of Year   | —                                      | 302,401           | —                                   | 34,376                           | —   | —                                  | —   | 82,959                      | 419,736           |
| Fund Balances at End of Year   | <u>\$ —</u>                            | <u>\$ 308,150</u> | <u>\$ —</u>                         | <u>\$ 67,987</u>                 | <u>\$ —</u>                                       | <u>\$ —</u>                        | <u>\$ —</u>   | <u>\$ 83,864</u>            | <u>\$ 460,001</u> |
| Amounts reported for Governmental Activities in the<br>Statement of Activities are different due to: |  |                   |                                     |                                  |   |                                    |   |                             |                   |
| Unearned Interest Receivable on Certain Program<br>Loans Receivable                                  |  |                   |                                     |                                  |   |                                    |   |                             | (18)              |
| Change in Net Position of Governmental Activities  |  |                   |                                     |                                  |   |                                    |   |                             | <u>\$ 40,247</u>  |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

| Assets   | Major Funds            |                                     |                                     | Total     |
|--|------------------------|-------------------------------------|-------------------------------------|-----------|
|  | Administrative<br>Fund | Mortgage<br>Loan<br>Program<br>Fund | Single<br>Family<br>Program<br>Fund |           |
| <b>Current Assets:</b>                                       |                        |                                     |                                     |           |
| Cash and Cash Equivalents                                    | \$ 93,463              | \$ —                                | \$ —                                | \$ 93,463 |
| Cash and Cash Equivalents - Restricted                       | 187,281                | 298,510                             | 136,969                             | 622,760   |
| Total Cash and Cash Equivalents                              | 280,744                | 298,510                             | 136,969                             | 716,223   |
| Investments  | 25,628                 | —                                   | —                                   | 25,628    |
| Investments - Restricted                                     | 36,096                 | 32,050                              | 276,798                             | 344,944   |
| Investment Income Receivable                                 | 1,567                  | —                                   | —                                   | 1,567     |
| Investment Income Receivable - Restricted                    | 670                    | 146                                 | 9,090                               | 9,906     |
| Program Loans Receivable                                     | 812                    | 6,840                               | 10,834                              | 18,486    |
| Interest Receivable on Program Loans                         | 54                     | 1,496                               | 391                                 | 1,941     |
| Due from Other Funds   | 29,970                 | 45,803                              | —                                   | 75,773    |
| Other  | 10,496                 | —                                   | —                                   | 10,496    |
| Total Current Assets   | 386,037                | 384,845                             | 434,082                             | 1,204,964 |
| <b>Noncurrent Assets:</b>                                    |                        |                                     |                                     |           |
| Investments  | 193,235                | —                                   | —                                   | 193,235   |
| Investments – Restricted                                     | 9,960                  | 30,736                              | 1,809,998                           | 1,850,694 |
| Program Loans Receivable, Net of Current Portion             | 61,516                 | 424,824                             | 80,381                              | 566,721   |
| Less Allowance for Estimated Losses                          | (6,558)                | (3,450)                             | (1,365)                             | (11,373)  |
| Net Program Loans Receivable                                 | 54,958                 | 421,374                             | 79,016                              | 555,348   |
| Real Estate Held for Sale                                    | 75                     | —                                   | 438                                 | 513       |
| Less Allowance for Estimated Losses                          | —                      | —                                   | (411)                               | (411)     |
| Net Real Estate Held for Sale                                | 75                     | —                                   | 27                                  | 102       |
| Due from Fannie Mae  | —                      | 29,386                              | —                                   | 29,386    |
| Due from Freddie Mac   | —                      | 4,305                               | —                                   | 4,305     |
| Capital Assets, Net  | 9,259                  | 23,488                              | —                                   | 32,747    |
| Derivative Instrument Asset                                  | 193                    | 3,133                               | 17,856                              | 21,182    |
| Other  | 1,339                  | 232                                 | —                                   | 1,571     |
| Total Noncurrent Assets                                      | 269,019                | 512,654                             | 1,906,897                           | 2,688,570 |
| Total Assets   | 655,056                | 897,499                             | 2,340,979                           | 3,893,534 |
| <b>Deferred Outflows of Resources</b>                        |                        |                                     |                                     |           |
| Accumulated Decrease in Fair Value of Hedging<br>Derivatives | 115                    | —                                   | 176                                 | 291       |
| Total Deferred Outflows of Resources                         | 115                    | —                                   | 176                                 | 291       |

See accompanying notes to the financial statements.



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

| Liabilities   | Administrative<br>Fund | Mortgage<br>Loan<br>Program<br>Fund | Single<br>Family<br>Program<br>Fund | Total             |
|---|------------------------|-------------------------------------|-------------------------------------|-------------------|
| <b>Current Liabilities:</b>                               |                        |                                     |                                     |                   |
| Bonds and Notes Payable                                   | \$ 1,768               | \$ 32,743                           | \$ 104,374                          | \$ 138,885        |
| Accrued Interest Payable                                  | —                      | 5,348                               | 18,162                              | 23,510            |
| Unearned Revenue  | 815                    | —                                   | —                                   | 815               |
| Deposits Held in Escrow                                   | 153,923                | —                                   | —                                   | 153,923           |
| Lease Liability   | 1,365                  | —                                   | —                                   | 1,365             |
| Subscription Liability                                    | 840                    | —                                   | —                                   | 840               |
| Accrued Liabilities and Other                             | 25,014                 | 4,065                               | 950                                 | 30,029            |
| Due to Other Funds  | 53,053                 | 1,034                               | 27,723                              | 81,810            |
| <b>Total Current Liabilities</b>                          | <b>236,778</b>         | <b>43,190</b>                       | <b>151,209</b>                      | <b>431,177</b>    |
| <b>Noncurrent Liabilities:</b>                            |                        |                                     |                                     |                   |
| Bonds and Notes Payable, Net of Current Portion           | 19,943                 | 461,188                             | 2,115,929                           | 2,597,060         |
| Unearned Revenue  | 1,585                  | —                                   | —                                   | 1,585             |
| Lease Liability, Net of Current Portion                   | 3,008                  | —                                   | —                                   | 3,008             |
| Subscription Liability, Net of Current Portion            | 2,205                  | —                                   | —                                   | 2,205             |
| Derivative Instrument Liability                           | 115                    | —                                   | 176                                 | 291               |
| <b>Total Noncurrent Liabilities</b>                       | <b>26,856</b>          | <b>461,188</b>                      | <b>2,116,105</b>                    | <b>2,604,149</b>  |
| <b>Total Liabilities</b>                                  | <b>263,634</b>         | <b>504,378</b>                      | <b>2,267,314</b>                    | <b>3,035,326</b>  |
| <b>Deferred Inflows of Resources</b>                      |                        |                                     |                                     |                   |
| Accumulated Increase in Fair Value of Hedging Derivatives | 193                    | 3,133                               | 17,856                              | 21,182            |
| Unearned Revenue  | 3                      | —                                   | 8,467                               | 8,470             |
| <b>Total Deferred Inflows of Resources</b>                | <b>196</b>             | <b>3,133</b>                        | <b>26,323</b>                       | <b>29,652</b>     |
| <b>Net Position</b>                                       |                        |                                     |                                     |                   |
| Net Investment in Capital Assets                          | 1,841                  | 9,703                               | —                                   | 11,544            |
| Restricted for Bond Resolution Purposes                   | —                      | 380,285                             | 127,417                             | 507,702           |
| Restricted for Loan and Grant Programs                    | 46,483                 | —                                   | —                                   | 46,483            |
| Unrestricted  | 343,017                | —                                   | (79,899)                            | 263,118           |
| <b>Total Net Position</b>                                 | <b>\$ 391,341</b>      | <b>\$ 389,988</b>                   | <b>\$ 47,518</b>                    | <b>\$ 828,847</b> |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION –  
PROPRIETARY FUNDS  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023

|   | <b>Major Funds</b>     |                                     |                                     | Total             |
|---|------------------------|-------------------------------------|-------------------------------------|-------------------|
|   | Administrative<br>Fund | Mortgage<br>Loan<br>Program<br>Fund | Single<br>Family<br>Program<br>Fund |                   |
| <b>Operating Revenues:</b>  |                        |                                     |                                     |                   |
| Interest and Other Investment Income  | \$ 24,808              | \$ 11,894                           | \$ 64,725                           | \$ 101,427        |
| Interest Earned on Program Loans  | 759                    | 16,393                              | 3,980                               | 21,132            |
| Service Fees  | 13,518                 | —                                   | —                                   | 13,518            |
| Development Fees  | 7,588                  | —                                   | —                                   | 7,588             |
| HUD Savings   | 325                    | —                                   | —                                   | 325               |
| Tax Credit Reservation and Monitoring Fees  | 11,388                 | —                                   | —                                   | 11,388            |
| Other Income  | 6,388                  | 13,296                              | —                                   | 19,684            |
| Total Operating Revenues  | <u>64,774</u>          | <u>41,583</u>                       | <u>68,705</u>                       | <u>175,062</u>    |
| <b>Operating Expenses:</b>  |                        |                                     |                                     |                   |
| Interest Expense  | 2,364                  | 12,830                              | 49,542                              | 64,736            |
| Salaries and Benefits   | 27,814                 | —                                   | —                                   | 27,814            |
| Professional Fees   | 1,624                  | —                                   | —                                   | 1,624             |
| Amortization Expense - Lease  | 1,377                  | —                                   | —                                   | 1,377             |
| Amortization Expense - SBITA  | 1,134                  | —                                   | —                                   | 1,134             |
| Other General and Administrative  | 2,019                  | 6,624                               | 313                                 | 8,956             |
| Financing Costs   | 2,575                  | 86                                  | 6,773                               | 9,434             |
| Program Grants  | 4,112                  | 23                                  | 5,146                               | 9,281             |
| Change in Accrual for Estimated Losses on Mortgage Participation<br>Certificate Program | 450                    | —                                   | —                                   | 450               |
| Provision for (Reversal of) Estimated Losses on Program Loans<br>Receivable             | (2,577)                | 137                                 | (856)                               | (3,296)           |
| Provision for Estimated Losses on Real Estate Held for Sale                             | —                      | 13                                  | 617                                 | 630               |
| Total Operating Expenses  | <u>40,892</u>          | <u>19,713</u>                       | <u>61,535</u>                       | <u>122,140</u>    |
| Total Operating Income  | <u>23,882</u>          | <u>21,870</u>                       | <u>7,170</u>                        | <u>52,922</u>     |
| <b>Nonoperating Revenues and Expenses</b>   |                        |                                     |                                     |                   |
| Gain/(Loss) on Investment Sales   | (1,273)                | (5)                                 | 880                                 | (398)             |
| Net Increase (Decrease) in Fair Value of Investments                                    | (1,972)                | (465)                               | (67,908)                            | (70,345)          |
| Federal Assistance Programs Revenues  | 10,661                 | —                                   | —                                   | 10,661            |
| Federal Assistance Programs Expenses  | (10,661)               | —                                   | —                                   | (10,661)          |
| Total Nonoperating Income   | <u>(3,245)</u>         | <u>(470)</u>                        | <u>(67,028)</u>                     | <u>(70,743)</u>   |
| <b>Income Before Transfers</b>  | <u>20,637</u>          | <u>21,400</u>                       | <u>(59,858)</u>                     | <u>(17,821)</u>   |
| Transfers In  | —                      | 22,745                              | 443                                 | 23,188            |
| Transfers Out   | (309)                  | (22,705)                            | —                                   | (23,014)          |
| Total Transfers   | <u>(309)</u>           | <u>40</u>                           | <u>443</u>                          | <u>174</u>        |
| <b>Change in Net Position</b>   | <u>20,328</u>          | <u>21,440</u>                       | <u>(59,415)</u>                     | <u>(17,647)</u>   |
| Transfers In/Out  |                        |                                     |                                     |                   |
| Net Position at Beginning of the Year   | 371,013                | 368,548                             | 106,933                             | 846,494           |
| <b>Net Position - End of the Year</b>   | <u>\$ 391,341</u>      | <u>\$ 389,988</u>                   | <u>\$ 47,518</u>                    | <u>\$ 828,847</u> |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

|  | Major Funds            |                                     |                                     | Total             |
|--|------------------------|-------------------------------------|-------------------------------------|-------------------|
|  | Administrative<br>Fund | Mortgage<br>Loan<br>Program<br>Fund | Single<br>Family<br>Program<br>Fund |                   |
| <b>Cash Flows From Operating Activities:</b>                         |                        |                                     |                                     |                   |
| Receipts for Program Loans, Interest, and Service Fees               | \$ 81,238              | \$ 33,261                           | \$ 24,733                           | \$ 139,232        |
| Payments for Program Loans   | (56,124)               | (48,088)                            | (12,197)                            | (116,409)         |
| Receipts for Credit Enhancements                                     | —                      | 776                                 | —                                   | 776               |
| Payments for Program Grants  | (4,112)                | (23)                                | (5,146)                             | (9,281)           |
| Payments to Suppliers  | (5,537)                | (5,589)                             | (7,601)                             | (18,727)          |
| Payments to Employees  | (27,814)               | —                                   | —                                   | (27,814)          |
| Receipts for Tax Credit Reservations and Monitoring Fees             | 11,388                 | —                                   | —                                   | 11,388            |
| Other Receipts   | 6,713                  | 13,296                              | 8,466                               | 28,475            |
| Net Cash Provided (Used) by Operating Activities                     | 5,752                  | (6,367)                             | 8,255                               | 7,640             |
| <b>Cash Flows from Noncapital Financing Activities:</b>              |                        |                                     |                                     |                   |
| Interest Paid on Revenue Bonds and Notes                             | (2,145)                | (11,391)                            | (39,901)                            | (53,437)          |
| Due to / from Other Funds  | (6,312)                | (19,344)                            | 33,531                              | 7,875             |
| Proceeds from Sale of Bonds and Notes                                | 2,147,430              | 37,440                              | 902,459                             | 3,087,329         |
| Principal Paid on Bonds and Notes                                    | (2,149,275)            | (17,065)                            | (132,804)                           | (2,299,144)       |
| Transfers In   | —                      | 22,745                              | 443                                 | 23,188            |
| Transfers Out  | (309)                  | (22,705)                            | —                                   | (23,014)          |
| Net Cash provided (Used) by Noncapital Financing Activities          | (10,611)               | (10,320)                            | 763,728                             | 742,797           |
| <b>Cash Flows from Capital Financing and Related Activities:</b>     |                        |                                     |                                     |                   |
| Acquisition of Capital Assets  | (621)                  | (1,084)                             | —                                   | (1,705)           |
| Principal and Interest Paid on Lease                                 | (1,449)                | —                                   | —                                   | (1,449)           |
| Principal and Interest Paid on SBITA                                 | (2,067)                | —                                   | —                                   | (2,067)           |
| Net Cash provided (Used) by Capital Financing and Related Activities | (4,137)                | (1,084)                             | —                                   | (5,221)           |
| <b>Cash Flows from Investing Activities:</b>                         |                        |                                     |                                     |                   |
| Purchase of Investment Securities                                    | (1,553,302)            | (691,828)                           | (666,104)                           | (2,911,234)       |
| Proceeds from Sales and Maturities of Investment Securities          | 905,793                | 694,008                             | 610,542                             | 2,210,343         |
| Interest Received on Investments                                     | 17,611                 | 4,010                               | 56,559                              | 78,180            |
| Transfers In   | —                      | (2,938)                             | (751,730)                           | (754,668)         |
| Transfers Out  | 749,115                | 2,452                               | 3,101                               | 754,668           |
| Net Cash Provided (Used) by Investing                                | 119,217                | 5,704                               | (747,632)                           | (622,711)         |
| Net Increase (Decrease) in Cash and Cash Equivalents                 | 110,221                | (12,067)                            | 24,351                              | 122,505           |
| Cash and Cash Equivalents, Beginning of the Year                     | 170,523                | 310,577                             | 112,618                             | 593,718           |
| <b>Cash and Cash Equivalents, End of the Year</b>                    | <b>\$ 280,744</b>      | <b>\$ 298,510</b>                   | <b>\$ 136,969</b>                   | <b>\$ 716,223</b> |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023

|   | Major Funds            |                                     |                                     | Total              |
|---|------------------------|-------------------------------------|-------------------------------------|--------------------|
|   | Administrative<br>Fund | Mortgage<br>Loan<br>Program<br>Fund | Single<br>Family<br>Program<br>Fund |                    |
| <b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b> |                        |                                     |                                     |                    |
| Operating Income (Loss)   | \$ 23,882              | \$ 21,870                           | \$ 7,170                            | \$ 52,922          |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: |                        |                                     |                                     |                    |
| Investment income (loss)  | (24,808)               | (11,894)                            | (64,725)                            | (101,427)          |
| Interest expense  | 2,364                  | 12,830                              | 49,542                              | 64,736             |
| Depreciation and amortization   | 3,192                  | 1,182                               | —                                   | 4,374              |
| Change in accrual for estimated losses on mortgage participation certificate program              | 450                    | —                                   | —                                   | 450                |
| Changes in provision for (reversal of) estimated losses on program loans receivable               | (2,577)                | 137                                 | (856)                               | (3,296)            |
| Changes in provision for estimated losses real estate held for sale                               | —                      | 9                                   | 617                                 | 626                |
| Changes in assets and liabilities:  |                        |                                     |                                     |                    |
| Program loans receivable  | (7,006)                | (31,853)                            | 8,811                               | (30,048)           |
| Interest receivable (payable) on program loans  | 13                     | (80)                                | 208                                 | 141                |
| Other assets  | 12,480                 | (2,828)                             | (10,440)                            | (788)              |
| Other liabilities   | (2,368)                | 190                                 | (339)                               | (2,517)            |
| Due from Fannie Mae   | —                      | 775                                 | —                                   | 775                |
| Due from Freddie Mac  | —                      | 1                                   | —                                   | 1                  |
| Changes in Deferred Outflow of Resources  | (62)                   | 470                                 | (176)                               | 232                |
| Changes in Deferred Inflow of Resources   | 192                    | 2,824                               | 18,443                              | 21,459             |
| Total adjustments   | <u>(18,130)</u>        | <u>(28,237)</u>                     | <u>1,085</u>                        | <u>(45,282)</u>    |
| Net cash provided by (used in) operating/non operating  | <u>\$ 5,752</u>        | <u>\$ (6,367)</u>                   | <u>\$ 8,255</u>                     | <u>\$ 7,640</u>    |
| <b>Noncash investing capital and financing activities:</b>  |                        |                                     |                                     |                    |
| Transfer of foreclosed assets   | <u>\$ —</u>            | <u>\$ 13</u>                        | <u>\$ 1,074</u>                     | <u>\$ 1,087</u>    |
| Increase (decrease) in the fair value of investments  | <u>\$ (1,972)</u>      | <u>\$ (465)</u>                     | <u>\$ (67,908)</u>                  | <u>\$ (70,345)</u> |

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

## Notes to the Financial Statements

Note 1 – Authorizing Legislation

Note 2 – Summary of Significant Accounting Policies

Note 3 – Cash and Investments

Note 4 – Interfund Balances, and Transfers

Note 5 – Program Loans Receivable

Note 6 – Real Estate Held for Sale

Note 7 – Capital Assets

Note 8 – Bonds and Notes Payable

Note 9 – Deposits Held in Escrow

Note 10 – Leases

Note 11 – Subscription Based Information Technology Arrangements

Note 12 – Risk Management

Note 13 – Retirement Plan

Note 14 – Commitments and Contingencies

Note 15 – Subsequent Events

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 1      AUTHORIZING LEGISLATION**

The Illinois Housing Development Authority (the Authority) is a body politic and corporate of the State of Illinois (the State) created by the Illinois Housing Development Act, as amended (the Act), for the purposes of assisting in the financing of decent, safe, and sanitary housing for persons and families of low and moderate income in the State and assisting in the financing of residential mortgages in the State. To accomplish its purposes, the Authority is authorized by the Act to make mortgage or other loans to nonprofit corporations and limited profit entities for the acquisition, construction, or rehabilitation of dwelling accommodations and to acquire, and to contract and enter into advance commitments to acquire, residential mortgage loans from lending institutions. The Act also authorizes the Authority to issue its bonds and notes to fulfill corporate purposes, including the financing of mortgage and construction loans, the acquisition of residential mortgage loans, and the making of loans for housing related commercial facilities. The Authority has issued various bonds and notes to finance mortgage loans and construction loans, to purchase residential mortgage loans from lending institutions, and to make loans to private lending institutions for making new residential mortgage loans.

The bonds and notes outstanding as of June 30, 2023, as shown on the Authority's financial statements consist of both general and special limited obligations of the Authority (see note 8). The full faith and credit of the Authority are pledged for payment of general obligation bonds and notes. The Authority has the power under the Act (20 ILCS 3805/22) to have up to \$7.2 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. See reference footnote 8 F - Other Financings that impact the Authority debt authorization. At June 30, 2023, amounts outstanding against this limitation were approximately \$4.6 billion.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

As defined by U.S. generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- a. Appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- b. Fiscal dependency on the primary government.

For financial reporting purposes, the Authority is a component unit of the State of Illinois. The Authority has one component unit, the IHDA Dispositions LLC (the LLC). The LLC had no activity for fiscal year 2023.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

*Government-Wide Statements* – The government-wide statement of net position and statement of activities reports the overall financial activity of the Authority. Eliminations have been made to help minimize the double-counting of internal activities of the Authority. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents information showing how the Authority's net position has changed during the recent fiscal year. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements* – The fund financial statements provide information about the Authority's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis on fund financial statements is on major and nonmajor governmental and proprietary (enterprise) funds, each displayed in a separate column.

As a quasi-governmental agency, the annual operating budget of the Authority is approved by the Board of Directors. Therefore, the Authority is not required to formally adopt budgets for each fund.

The Authority reports the following major governmental funds:

**Illinois Affordable Housing Trust Fund**

The Authority is designated administrator of the Illinois Affordable Housing Program (the Housing Program). The program is funded by the Illinois Affordable Housing Trust Fund with funds generated from a portion of the State real estate transfer tax collected by the Illinois Department of Revenue and held within the State Treasury. The funds are appropriated annually to the Illinois Department of Revenue by the General Assembly. In accordance with State statute, the Authority makes grants and low or no interest mortgages or other loans, some with deferred repayment terms, to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable Single Family and Multi-Family housing for low and very low-income households.

As the administrator of the Housing Program, the Authority considers the interest in equity of the Housing Program to be that of the State of Illinois and the Authority records a liability to the State of Illinois for their equity share. Additionally, the Authority records amounts received to administer the Housing Program as grant revenue.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**HOME Program Fund**

The Authority is the designated program administrator and the Participating Jurisdiction for the federally funded HOME Investment Partnerships Program (the HOME Program) for the State of Illinois. HOME funds are utilized for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance, housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

**Rental Housing Support Program Fund**

The Authority is the designated administrator of the Rental Housing Support Program (RHSP). The program is funded by a surcharge for the recording of any real estate-related document. The funds are appropriated to the Illinois Department of Revenue by the General Assembly. The Authority awards funds to local administering agencies, which will contract with local landlords to make rental units affordable to households who earn less than 30% of the area median income.

**Build Illinois Bond Program Fund**

The Authority was appropriated a portion of the Build Illinois Bonds Program (BIBP). BIBP funds are utilized for a variety of housing activities, loans, and investments for low-income families, low-income senior citizens, low-income persons with disabilities and at-risk displaced veterans.

**COVID-19 Emergency Rental Assistance Program Fund**

The Authority administered the Emergency Rental Assistance (ERA) programs from funds received by the State, DuPage, Will, and Kane Counties, with funds received from Treasury's Emergency Rental Assistance Program, during fiscal year 2023. Eligible uses of funds include assisting households that were unable to pay rent and utilities due to the COVID-19 pandemic.

**COVID-19 Homeowner Assistance Fund**

The Authority administered the Homeowner Assistance Fund (HAF) Program. HAF funds were provided via State appropriation from U.S. Treasury's HAF program to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020. Eligible uses of funds include assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes.



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**COVID-19 State and Local Fiscal Recovery Fund**

SLFRF funds were provided by the State and County of Cook from Treasury's SLFRF program. The Authority administered the COVID-19 Affordable Housing Grant Program (CAHGP) program. The Authority provides grants, forgivable loans and administrative expenses associated with affordable housing developments eligible for COVID-19 Affordable Housing Grant Program (CAHGP) and housing counseling, and foreclosure mediation services for residents in Cook County.

The Authority reports the following major proprietary funds:

**Administrative Fund**

Development and financing fee income related to Multi-Family mortgage loans, income from service fees, and operating expenses of the Authority are accounted for in the Administrative Fund.

In addition, the Administrative Fund has provided for supplemental financing of certain developments through residual income loans and below market financing for various developments through the Authority's Housing Partnership Program (see Note 5), and its lending program in conjunction with a debt service savings sharing agreement (the FAF Savings Program) with the U.S. Department of Housing and Urban Development (HUD) (see Note 14). The Administrative Fund also includes Section 8 New Construction and Section 8 Mod Rehab.

**Mortgage Loan Program Fund**

The Mortgage Loan Program Fund accounts for the financing of low- and moderate-income housing developments from the proceeds of Housing Bonds, Multi-Family Initiative Bonds, Multi-Family Revenue Bonds, and Affordable Housing Program Trust Fund Bonds, and for the retirement of such obligations.

The Authority holds first mortgage liens on such developments. Affordable Housing Program Trust Fund Bond accounts include a transfer of funds from the Illinois Affordable Housing Trust Fund.

**Single Family Program Fund**

The Single Family Program Fund accounts for the proceeds of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, and Revenue Bonds, issued to provide funds for the purchase from lending institutions of mortgage loans on owner-occupied, one-to-four-unit dwellings acquired by eligible buyers. In most instances, it has been the Authority's

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

practice to pool loans into mortgage-backed securities and either sell them in the secondary market or retain and pledge them as collateral for bonds.

Unearned revenue includes fees earned from the buy down of homeowner mortgage interest rates to below market levels and amortized over the forgivable loan period of the down payment assistance provided.

The use of tax-exempt financing to provide eligible borrowers with affordable rate mortgage loans involves federal restrictions on expenses chargeable to the program. Unless described otherwise in the indenture, any expenses incurred in the program more than such maximum amounts are absorbed by the Administrative Fund.

**C. Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Authority receives value without directly giving equal value in exchange, include federal and state grant revenue. Revenue from these sources is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Separate fund financial statements are provided for governmental and proprietary funds. Major governmental and proprietary funds are reported as separate columns in the fund financial statements.

The accounting policies and financial reporting practices of the Authority conform to GAAP, as promulgated in the pronouncements of the Governmental Accounting Standards Board (GASB).

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YEAR ENDED JUNE 30, 2023

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Impact of Future Accounting Pronouncements**

In 2022, GASB issued Statement No. 99 *Omnibus 2022*. The primary objective of this Statement is to enhance comparability in accounting and financial reporting. GASB Statement No. 99 "Omnibus 22", is providing clarification on several recent statements, including GASB Statement No. 87 "Leases", and GASB Statement No. 96 "Subscription Based Information Technology Arrangements". The requirements of this statement are effective for the Authority's fiscal year ended June 30, 2024. The Authority is currently evaluating the future impact of this statement.

In 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ended June 30, 2025. The Authority is currently evaluating the future impact of this statement.

**E. Adoption of New Accounting Principles**

As of July 1, 2022, the Authority implemented the requirements of GASB Statement No. 96, "*Subscription Based Information Technology Arrangements (SBITAs)*". GASB Statement No. 96 established uniform requirements for reporting SBITAs. Upon adoption of this Statement, the Authority recognized a subscription asset and subscription liability related to its right to use vendor software. The Authority is implementing Oracle as a subscription with a go-live date of July 1, 2024. The Authority paid \$1,042,616 related to implementation costs for the subscription as of June 30, 2023 which are included as a prepaid asset. The implementation had no effect on beginning net position.

In 2019, the GASB issued Statement No. 91 *Conduit Debt Obligations*. The objective of Statement No. 91 is to improve financial reporting by addressing issues related to the method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no impact. The Authority has no additional or voluntary monetary commitments to make payments on its conduit debt obligations as of June 30, 2023 – see Note 8 Bonds and Notes Payable for further details.

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Adoption of New Accounting Principles (Continued)**

In 2020, GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of Statement No. 94 are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements, and to provide guidance for accounting and financial reporting for availability payment arrangements. This statement is effective for the Authority's fiscal year ended June 30, 2023. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no impact.

In 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no material impact.

**F. Fund Balances**

In the fund financial statements, governmental funds report fund balances in the following categories:

**Nonspendable** – This consists of amounts that cannot be spent because they are either a) not in spendable form, or b) legally or contractually required to be maintained intact.

**Restricted** – This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This consists of amounts constrained by limitations that the Authority imposes upon itself through resolution by its board of directors. The commitment amount will be binding unless removed or amended in the same manner.

**Assigned** – This consists of net amounts that are constrained by the Authority's intent to be used for specific purposes, but that are neither restricted nor committed.

**Unassigned** – This consists of residual deficit fund balances.

In instances where restricted, committed, and assigned fund balances are available for use, the Authority's policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed. Currently, all of the Authority's governmental funds fund balances are restricted.

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in the following components:

**Net Investment in Capital Assets** – This consists of capital assets, net of accumulated depreciation/amortization and related debt, lease liabilities, and subscription liabilities.

**Restricted** – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

All net position of the governmental activities column of the government-wide financial statements is restricted with respect to the use of cash, investments and loan amounts that are to be repaid to the Authority. (See note 5 for schedules of aging for the loans made under these programs).

The use of assets of each of the proprietary fund program funds is restricted by the related bond and note resolutions of the Authority. Certain amounts in the above program funds are considered subject to the restriction that they be applied to the financing of housing for the respective program purposes or to the retirement of obligations issued for such purposes; these amounts may include certain investment earnings attributable to the respective fund net position. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted** – This consists of net position that does not meet the criteria of the two preceding categories.

Designations of net position represent tentative plans by the Authority for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenses.

A portion of the Authority's Administrative Fund unrestricted net position, as of the most recent fiscal year-end, is designated as follows, in thousands:

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

|  |    |                |
|--|----|----------------|
| Homeownership Mortgage Loan Program  |    |                |
| Provide funds to support Single Family Homeownership in the State of Illinois through second lien position loans and/or grants   | \$ | 65,000         |
|  |    |                |
| Multifamily Mortgage Loan Program  |    |                |
| To pay possible losses arising in the Multifamily Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans   |    | 20,000         |
|  |    |                |
| Homeownership Mortgage Loan Program  |    |                |
| To pay possible losses arising in the Homeownership Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans   |    | 5,000          |
|  |    |                |
| Homeownership Mortgage Loan Program  |    |                |
| Provide funds to purchase homeownership mortgage loans and/or mortgage-backed securities under the Program which may eventually be purchased with proceeds from future issuances of Authority debt or sold in the secondary market |    | 130,000        |
|  |    |                |
| Multifamily Mortgage Loan Program  |    |                |
| Provide funds to finance Multifamily loans originated under the Program  |    | 35,000         |
|  |    |                |
| Provide funds for the Authority's planned technology enhancements  |    | 15,000         |
|  |    | <u>15,000</u>  |
|  | \$ | <u>270,000</u> |

The designations of the Administrative Fund unrestricted net position may be amended or rescinded by the board members of the Authority.

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from the estimates.

**I. Deferred Outflows/Inflows of Resources**

A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period and a deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources has a negative impact on net position like liabilities but is required to be reported within the statement of net position in a separate section following liabilities. A deferred outflow of resources has a positive effect on net position like assets but is required to be reported in the statement of net position in a separate section following assets.

Deferred outflows/inflows of resources include:

- i. Unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt.
- ii. Amounts reported as accumulated decrease/increase in fair value of hedging derivatives, which represent the anticipated future utilization of the net position of interest rate swap agreements deemed to be effective hedging derivatives.

**J. Risks and Uncertainties**

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in the financial statements.

The allowances for estimated losses on loans are reported based on certain assumptions pertaining to the Authority's periodic review and evaluation of the loan portfolio, which is subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

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YEAR ENDED JUNE 30, 2023

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all cash, certificates of deposit, time deposits, and short-term repurchase agreements with original maturity dates of three months or less from date of purchase to be cash equivalents.

**L. Investments**

Investments of the Authority are reported at fair value. Fair value is determined by reference to public market prices and quotations from a securities pricing service.

The Authority records investment transactions based on trade date.

The investment of funds is restricted by various bond and note resolutions of the Authority and the Act, generally, to direct obligations of the United States government; specific bank obligations, certain of which are fully secured as required by the bond and note resolutions; and obligations of other governmental entities that meet defined standards. The type of collateral instruments that secure the demand repurchase agreements held by the Authority are subject to the same restrictions described above. Generally, collateral instruments are held by third-party institutions.

**M. Program Loans Receivable**

Program loans receivable include mortgage loans receivable, advances receivable, and residual income loans receivable. Mortgage loans receivable include certain amounts of interest and fees that have been charged by the Authority and added to the loan balance. The due dates for advances and residual income loans receivable are dependent upon future events as specified in the related loan or advance agreements.

**N. Capital Assets**

Capital assets in the Administrative Fund consist of investments in furniture, fixtures, leased space and equipment; computer hardware; computer software; and right to use building, and right to use subscriptions, and are defined by the Authority as assets with an initial, individual historical cost of \$5 thousand or more, except for computers, camera, and video equipment, which are capitalized at any cost. Depreciation and amortization are recorded on a straight-line basis over a period of three to five years, depending upon the nature of the asset. Right to use assets are amortized over the term of the lease or subscriptions.

The Authority records depreciation against Lakeshore Plaza on a straight-line basis over forty years. At June 30, 2023, the net carrying value was \$23.5 million which is net of accumulated depreciation of \$28.2 million. Depreciation expense for fiscal year 2023 was \$1.2 million. Although the Authority does not regularly own and operate properties as part of its normal business operations, for the benefit of furthering its affordable housing mission, it



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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Capital Assets (Continued)**

is within its scope to do so. Since its acquisition Lakeshore Plaza has continued to be owned and operated by the Authority as part of its business operations and therefore is reported as a capital asset of the Mortgage Loan Program Fund. This property is collateral for Housing Bond 2008B. The Authority will continue to evaluate the operation of Lakeshore Plaza and its impact on operations accordingly.

**O. Real Estate Held for Sale**

Real estate held for sale arises from foreclosures or other mortgage default related actions on properties pledged as collateral on Administrative (\$75,000), and Single Family (\$27,000). See Note 6 for analysis of real estate for sale, net of allowance for estimated losses. Real estate held for sale is recorded at the unpaid principal balance plus accrued interest on the loans as of the date the loans become real estate owned, plus subsequent expenses incurred less any insurance or other loan related payments received. Since several loans covered by pool insurance have reached maximum reimbursements allowable for loss claims and other loans in the portfolio are uninsured, it is anticipated that proceeds arising from the sale of such property and certain insurance proceeds may not fully cover any losses experienced.

Therefore, the Authority has established a provision for estimated losses on real estate held for sale based on a periodic review of such conditions which considers factors such as interest costs, holding costs, sales proceeds, mortgage insurance, and pool insurance recoveries to estimate losses.

**P. Bond Premium/Discount, Issuance Costs and Gain/Loss on Refunding**

Premium/discount on bonds is netted with bonds payable and amortized using a method approximating the effective interest method over the life of the bonds. Debt issuance costs are recorded as an expense in the period incurred. Unamortized gains and losses on refunding are reported as deferred inflows and outflows of resources, respectively, and are amortized over the shorter of the life of the old or new debt as a component of interest expense.

**Q. Operations**

Proprietary funds loan origination fee, development fee, and financing fee income are recognized as revenue in the period received. Fees earned on loans, which the Authority does not directly originate, such as loans financed through other financings (see Note 8E), are recognized as revenue in the Administrative Fund generally at the time of initial closing.

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Operations (Continued)**

Proprietary funds annual service fees charged by the Authority to loan recipients, which are deposited in the respective program funds or added to program loans receivable, are recognized as revenue in the Administrative Fund through interfund transfers.

Proprietary funds operating revenues and expenses are activities classified as core business activities of the fund. Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund including interest income, service fees, development fees, interest, and other investment income. Proprietary funds operating expenses include grant program expenses, general and administrative expenses of the Authority; salaries and benefits; costs and expenses incurred in connection with the amortization, issuance, and sale of certain bonds and notes; fees and expenses of trustees and depository and paying agents; and costs related to analyses, surveys, appraisals, and other matters pertaining to maintenance and evaluation of program loans receivable. Operating costs and expenses are recognized as incurred.

Proprietary funds nonoperating revenues and expenses include the reporting of Section 8 Moderate Rehabilitation, and Section 8 New Construction. Also included in this section are activities not classified as core business activities to the Proprietary Fund.

A portion of the Authority's operating expenses of administering the Illinois Affordable Housing Trust Fund, HOME Program, Rental Housing Support Program, Build Illinois Bond Fund, COVID-19 Coronavirus Relief Fund, COVID-19 Emergency Rental Assistance Program Fund, and Nonmajor Governmental Funds are recorded within these governmental funds. Similarly, other related special assistance programs and resolutions of various bond programs allow for these program accounts to record a certain level of operating expenses. Expenses in excess of the allowable ceilings set forth in the resolutions are charged to the Administrative Fund.

Expenses are shown in the statement of activities by identifiable programs.

**R. Compensated Absences**

The Authority grants vacation and sick leave to all employees and accrues for unused compensated absences. Vacations are allotted on a calendar year basis and are intended to be taken during that year. Unused sick leave allowance is carried forward and accumulated. In the event of termination, employees are paid for all earned but unused vacation time, and of unused accumulated sick leave earned, to a maximum of 30 days at one-half of hourly pay rate. The Authority has no other post-employment benefits (OPEB).

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Compensated Absences (Continued)**

The following is the activity for the compensated absences recorded as accrued liabilities and other and liquidated from the Administrative Fund, in thousands.

| Balance<br>June 30, 2022 | Additions | Retirements | Balance<br>June 30, 2023 | Due Within<br>One Year |
|--------------------------|-----------|-------------|--------------------------|------------------------|
| \$ 1,454                 | \$ 2,432  | \$ (2,278)  | \$ 1,608                 | \$ 1,608               |

**S. Provision for Estimated Losses on Program Loans**

The Authority provides for estimated losses on program loans in its proprietary and governmental funds based upon the periodic review and evaluation of the Multi-Family and developer loan portfolios and provides additional amounts, if it deems necessary, for estimated losses for individual loans in the funds. In making such a review and evaluation, the Authority considers current economic conditions, occupancy and rental level projections, financial statement analyses, on-site inspections, independent appraisals of certain developments, insurance coverage, and such other factors as it deems necessary. The estimated losses of the Single Family loan portfolio are based upon a periodic review and evaluation of the whole loan portfolio, including real estate owned properties and considers such factors as delinquencies, interest costs, holding costs, sales proceeds, mortgage insurance, and pool insurance recoveries for estimating losses. Although management uses the best available information to assess the adequacy of its provisions, adjustments may be required if the actual experience differs from the factors used in making those assessments.

**T. Income Taxes**

The Authority is a component unit of the State of Illinois and is generally exempt from federal, state, and local income taxes.

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**NOTE 3 CASH AND INVESTMENTS**

The Authority's Financial Management Policy (the Policy) contains the following stated objectives:

- Safety of principal – Preservation and safety of principal is the foremost objective of the Authority's investments. Each investment transaction shall seek to ensure that capital losses within the investment portfolio are avoided, whether they are from securities defaults or erosion of fair value.
- Liquidity – The investments portfolio shall remain sufficiently flexible to enable the Authority to meet all operating requirements that may be reasonably anticipated in any fund. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demand.
- Maximum rate of return – The investment portfolio shall be designed with the purpose of regularly exceeding the average return of U.S. Treasury obligations of comparable maturities. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

**A. Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The Authority's policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

As of June 30, 2023, the Authority had cash and cash equivalent totaling \$1,312 million which consists of cash of \$146 million and cash equivalents of \$1,166 million.

The below table indicates the Authority's cash and cash equivalents held in investments as of June 30, 2023 (in thousands):

| Investments                                   | Carrying Amount     | Investment Maturities (in Days) |              |              |              |
|---|---------------------|---------------------------------|--------------|--------------|--------------|
|   |                     | Less Than 7                     | Less Than 30 | Less Than 60 | Less Than 90 |
| Sweep Accounts-Money Market Fund - Restricted | \$ 1,153,206        | \$ 1,153,206                    | \$ —         | \$ —         | \$ —         |
| Sweep Accounts-Money Market Fund              | 12,874              | 12,874                          | —            | —            | —            |
| <b>Total Cash Equivalents</b>                 | <b>\$ 1,166,080</b> | <b>\$ 1,166,080</b>             | <b>—</b>     | <b>—</b>     | <b>—</b>     |

Money market funds are collateralized by obligations of the U.S. Government (or its agencies), or direct investments of such obligations overnight and funds are available the next day.

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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**A. Interest Rate Risk (Continued)**

As of June 30, 2023, the Authority had the following investments (in thousands):

| Investment                                      | Carrying Amount     | Investment Maturities (in Years) |                  |                 |                     |
|---|---------------------|----------------------------------|------------------|-----------------|---------------------|
|   |                     | Less Than 1                      | 1-5              | 6-10            | More Than 10        |
| Commercial Paper                                | \$ 115,970          | \$ 115,970                       | \$ —             | \$ —            | \$ —                |
| Federal Home Loan Bank Bonds (FHLBB)            | 20,083              | 8,995                            | 10,660           | 428             | —                   |
| Federal Farm Credit Bank Bonds                  | 79,490              | 79,490                           | —                | —               | —                   |
| Federal Home Loan Mortgage Corp. (FHLMC)        | 185,735             | 12,922                           | 16,035           | 1,292           | 155,486             |
| Federal Home Loan Discount Notes (FHLDN)        | 42,707              | 42,707                           | —                | —               | —                   |
| Federal National Mortgage Association           | 791,264             | 995                              | 10,079           | 1,561           | 778,629             |
| Federal National Mortgage Assn. Benchmark Notes | 1,366               | —                                | 1,366            | —               | —                   |
| Government National Mortgage Association        | 1,037,185           | —                                | —                | —               | 1,037,185           |
| Municipal Bonds                                 | 42,881              | 29,783                           | 13,098           | —               | —                   |
| Investment Agreements 30/360 days               | 100,000             | 100,000                          | —                | —               | —                   |
| U.S Treasury Bills                              | 11,817              | 11,817                           | —                | —               | —                   |
| U.S. Treasury Strips                            | 1,485               | —                                | 881              | 525             | 79                  |
| U.S. Treasury Notes                             | 29,308              | 4,902                            | 24,406           | —               | —                   |
| <b>Total</b>                                    | <b>\$ 2,459,291</b> | <b>\$ 407,581</b>                | <b>\$ 76,525</b> | <b>\$ 3,806</b> | <b>\$ 1,971,379</b> |

**B. Credit Risk**

Credit risk is the risk the Authority will not recover its investments due to the inability of the counterparty to fulfill its obligation. Statutes of the State and resolutions of the Authority authorize the Authority to invest in obligations of the U.S. Government, agencies, and instrumentalities of the U.S. Government, demand repurchase agreements, and other banking arrangements. The Authority may also invest its funds in such investments as may be lawful for fiduciaries in the State. All funds are held outside of the State Treasury in various banks and financial institutions.

The Authority's investments in U.S. Government and Agency Obligations are rated Aaa by Moody's and/or AA+ by Standard & Poor's.

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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**C. Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Authority's cash carrying value balance totaled \$146 million at June 30, 2023. The June 30, 2023, cash bank balance for the Authority totaled \$149 million. Also, \$10.2 million was not covered by federal depository insurance or by collateral held by an agent in the Authority's name. The amount is further addressed in Note 15 – Subsequent Events. Additionally, the Authority's cash equivalents at June 30, 2023, consisted of sweep accounts, held in the Authority's name, with the funds in these accounts invested in money market funds that invest in U.S. Treasury securities, or were held in accounts that were either Federal Deposit Insurance Corporation FDIC insured or collateralized with U.S. government obligations. The Authority's investments at June 30, 2023, were held in the Authority's name in separate Authority custodial accounts. Collateral is pledged in the Authority's name and consists of U.S. Treasury obligations.

**D. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The Authority's policy does not limit the amounts the Authority may invest in any one issuer. The Authority is considered to have a concentration of credit risk if its investments in any one single issuer (other than securities explicitly guaranteed by the U.S. government) are greater than 5% of total investments.

Investments which comprise more than 5% of the Authority's investments as of June 30, 2023, are as follows, in thousands:

| <u>Investment</u>                          | <u>Fair Value</u> |
|--|-------------------|
| Governmental National Mortgage Association | \$ 1,037,185      |
| Federal National Mortgage Association      | 792,630           |
| Federal Home Loan (FHLBB, FHLMC, FHLDN)    | 248,525           |
| Commercial Paper                           | 115,970           |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**E. Forward Commitments**

The Authority sells forward commitments to deliver Government National Mortgage Association (GNMA) certificates, Fannie Mae (FNMA) and Freddie Mac (FHLMC) mortgage-backed securities (MBS). Commitments are sold as mortgage loan reservations, and are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to fair value fluctuations in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered. A net increase in fair value of \$4.8 million on these forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Administrative Fund for the year ended June 30, 2023. In addition, \$3.5 million of forward commitments is recorded on the statement of net position as other current assets at June 30, 2023.

The Authority is subject to credit risk with respect to counterparties for the forward commitment contracts, summarized below with their credit ratings as of June 30, 2023, in thousands:

| Counterparty                     | Rating <sup>(1)</sup>                      | Number of<br>Contracts | Par Amount        |
|----------------------------------|--|------------------------|-------------------|
| Bank of New York Mellon          | AA-/A-1+ Stable;<br>Aa1(cr)/P-1(cr) Stable | 12                     | \$ 43,200         |
| Bank of Oklahoma                 | A-/A-2 Stable;<br>A1(cr)/P-1(cr) Stable    | 14                     | 59,920            |
| Citigroup Global Markets         | A/A-1 Stable;<br>A2 / Stable               | 5                      | 25,589            |
| Fannie Mae                       | AA+u/A-1+u Stable;<br>AAA /WR Stable       | 4                      | 6,786             |
| Jefferies LLC                    | BBB/BBB Stable;<br>Baa2/Baa2 Stable        | 23                     | 84,200            |
| Morgan Stanley                   | A-/A-2 Stable;<br>A1/ P-1 Stable           | 1                      | 2,000             |
| Piper Sandler                    | A-/A-2 Stable;<br>A1/ P-1 Stable           | 39                     | 128,200           |
| Raymond James                    | A-/Stable;<br>A3/Stable                    | 29                     | 94,100            |
| Stifel                           | BBB -/BBB-POS                              | 28                     | 97,100            |
| Wells Fargo Securities, LLC      | A+/A-1 Stable;<br>Aa1(cr)/P-1(cr) Stable   | 13                     | 65,600            |
| <b>Total Forward Commitments</b> |  | <u>168</u>             | <u>\$ 606,695</u> |

(1) S&P; Moody's

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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**F. Fair Value Measurements**

GASB Statement No. 72 explains that the government could determine the market price of an asset in one of three ways:

- 1) Actual market transactions for identical or similar items (market approach);
- 2) The current cost to replace the service capacity of an asset (cost approach); or
- 3) Discounting the current value of future cash flows (income approach).

It also establishes a three-tier hierarchy of input quality as follows:

- Level 1* – inputs are quoted prices in active markets for identical items;
- Level 2* – inputs are all inputs that are directly or indirectly observable, but not on Level 1; and
- Level 3* – inputs are all inputs that are unobservable.

The statement directs governments to maximize their use of observable inputs and to minimize the use of unobservable inputs.

Fair value is most frequently applied to investments which GASB Statement No. 72 defines as a security or other asset that: A government holds primarily for the purpose of income or profit and has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methods and assumptions used by the Authority to estimate the fair value of its financial instruments. There have been no changes to the methods or assumptions used at June 30, 2023. The Authority management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Agency securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities.



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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**F. Fair Value Measurements (Continued)**

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

Investments and derivative instruments measured at fair value as of June 30, 2023, are as follows (in thousands):

|  | At June 30, 2023    | Fair Value Measurements Using   |   |  |
|--|---------------------|---|---|--|
|  |                     | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Observable<br>(Level 3) |
| <u>Investments</u>   |                     |   |   |  |
| Commercial Paper   | \$ 115,970          | \$ —  | \$ 115,970  | \$ —                                   |
| Federal Home Loan<br>Bank Bonds                                | 20,083              | —   | 20,083  | —                                      |
| Federal Farm Credit<br>Bank Bonds                              | 79,490              | —   | 79,490  | —                                      |
| Federal Home Loan<br>Mortgage Corp.                            | 185,735             | —   | 185,735   | —                                      |
| Federal National<br>Mortgage Assn.<br>Benchmark Notes          | 1,366               | —   | 1,366   | —                                      |
| Federal Home Loan<br>Bank Discount Notes                       | 42,707              | —   | 42,707  | —                                      |
| Government<br>National Mortgage<br>Association                 | 1,037,185           | —   | 1,037,185   | —                                      |
| Federal National<br>Mortgage Assn.<br>Investment<br>Agreements | 791,264             | —   | 791,264   | —                                      |
|  | 100,000             | 100,000   | —   | —                                      |
| Municipal Bonds  | 42,881              | —   | 42,881  | —                                      |
| U.S. Treasury Bills  | 11,817              | 11,817  | —   | —                                      |
| U.S. Treasury Strips   | 1,485               | 1,485   | —   | —                                      |
| U.S. Treasury Notes  | 29,308              | 29,308  | —   | —                                      |
|  | <u>\$ 2,459,291</u> | <u>\$ 142,610</u>   | <u>\$ 2,316,681</u>                                       | <u>\$ —</u>                            |
| <u>Derivative<br/>Instruments</u>                              |                     |   |   |  |
| Interest Rate Caps   | \$ 631              | \$ —  | \$ 631  | \$ —                                   |
| Interest Rate Swaps  | 20,259              | —   | 20,259  | —                                      |
| Forward<br>Commitments   | 3,479               | —   | 3,479   | —                                      |
|  | <u>\$ 24,369</u>    | <u>\$ —</u>   | <u>\$ 24,369</u>  | <u>\$ —</u>                            |

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**NOTE 4 INTERFUND BALANCES AND TRANSFERS**

**A. Interfund Balances**

The Authority reports interfund balances among its funds. These balances generally consist of accruals for various revenues or expenditures due to a fund, but received or paid to another, and subsidy transfers between funds. These amounts are generally paid or received within the subsequent fiscal year. Interfund accounts receivable (payable) balances at June 30, 2023, consisted of the following, in thousands:

| Receivable to                              | Payable from                           |                   |                             |                                     |                                    |   |                             |                     |                            |                            | Total            |
|--|--|-------------------|-----------------------------|-------------------------------------|------------------------------------|---|-----------------------------|---------------------|----------------------------|----------------------------|------------------|
|  | Governmental Funds                     |                   |                             |                                     |                                    | Proprietary Funds                             |                             |                     |                            |                            |                  |
|  | Illinois Affordable Housing Trust Fund | HOME Program Fund | Rental Housing Program Fund | Building Illinois Bond Program Fund | COVID-19 Homeowner Assistance Fund | COVID-19 State and Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Administrative Fund | Mortgage Loan Program Fund | Single Family Program Fund |                  |
| Governmental Funds:                        |  |                   |                             |                                     |                                    |   |                             |                     |                            |                            |                  |
| Illinois Affordable Housing Trust Fund     | \$ —                                   | \$ —              | \$ —                        | \$ —                                | \$ —                               | \$ —  | \$ —                        | \$ 2,190            | \$ —                       | \$ —                       | \$ 2,190         |
| HOME Program Fund                          | —                                      | —                 | —                           | —                                   | —                                  | —   | —                           | 1,836               | —                          | —                          | 1,836            |
| COVID -19 Emergency Rental Assistance Fund | —                                      | —                 | —                           | —                                   | —                                  | —   | —                           | 1,350               | —                          | —                          | 1,350            |
| COVID -19 Homeowner Assistance Fund ARP    | —                                      | —                 | —                           | —                                   | —                                  | —   | —                           | 1,857               | —                          | —                          | 1,857            |
| Nonmajor Governmental Funds                | —                                      | —                 | —                           | —                                   | —                                  | —   | —                           | 17                  | —                          | —                          | 17               |
| Proprietary Funds:                         |  |                   |                             |                                     |                                    |   |                             |                     |                            |                            |                  |
| Administrative Fund                        | —                                      | —                 | 30                          | 139                                 | —                                  | 754   | 290                         | —                   | 1,034                      | 27,723                     | 29,970           |
| Mortgage Loan Program Fund                 | —                                      | —                 | —                           | —                                   | —                                  | —   | —                           | 45,803              | —                          | —                          | 45,803           |
| Single Family Program Fund                 |  |                   |                             |                                     |                                    |   |                             |                     |                            |                            |                  |
|  | <u>\$ —</u>                            | <u>\$ —</u>       | <u>\$ 30</u>                | <u>\$ 139</u>                       | <u>\$ —</u>                        | <u>\$ 754</u>                                 | <u>\$ 290</u>               | <u>\$ 53,053</u>    | <u>\$ 1,034</u>            | <u>\$ 27,723</u>           | <u>\$ 83,023</u> |

The interfund accounts receivable (payable) between the Mortgage Loan Program Fund and the Administrative Fund primarily consist of Housing Bonds transfer for funding access 4% Down Payment Assistance program and Multi-Family Revenue Bond special program fund and Affordable Housing Trust Fund transfer for funding Single Family loan origination and securitization programs in fiscal year 2023. It also includes the fiscal year 2000 operating transfer of \$10.4 million to Multi-Family Housing Revenue Bond Accounts made from the Administrative Fund in conjunction with the issuance of the Multi-Family Housing Revenue Bonds, Series 2000A, subsequently refunded with the Housing Bond 2008B, (Lakeshore Plaza Development) and the corresponding transfer of the carrying value of the real estate investment, partially reversed by a \$5.4 million fiscal year 2006 transfer to the Administrative Fund. The Authority intends to reverse the remaining amounts of the transfers upon the disposition of Lakeshore Plaza.

Other interfund payables from the Administrative Fund to governmental and proprietary funds primarily consist of deposits of loan debt service payments that will be transferred subsequent to

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**NOTE 4 INTERFUND BALANCES, AND TRANSFERS (CONTINUED)**

**B. Transfers**

the fiscal year end. Funds are transferred from one fund to support expenditures of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for the individual fund. Interfund balances result from timing differences between the date a disbursement is made by the Proprietary Funds and Governmental Funds and the date the Proprietary Funds and Governmental Funds receives reimbursement from other funds.

The Authority records transfers between program funds for various purposes including fund closings, earnings transfers, program subsidies, and advances for the initial financing of the Authority's programs.

Transfers (in thousands) for the year ended June 30, 2023, consisted of the following:

|                             | Proprietary Funds<br>Transfer Out<br>Administrative<br>Fund | Proprietary Funds -<br>Transfer In<br>Mortgage<br>Loan<br>Program<br>Fund | Proprietary Funds -<br>Transfer In<br>Single<br>Family<br>Program<br>Fund | Government Funds<br>Transfer In<br>Nonmajor<br>Funds | Total       |
|-----------------------------|---|---|---|--|-------------|
| Proprietary Funds:          |   |   |   |  |             |
| Administrative Fund         | \$ —  | \$ —  | \$ —  | \$ —   | \$ —        |
| Mortgage Loan Program Fund  | 40 (A)  | (40) (A)  | —   | —  | —           |
| Single Family Program Fund  | 443 (B)   | —   | (443) (B)   | —  | —           |
| Government Programs:        |   |   |   |  |             |
| Nonmajor Governmental Funds | (174) (C)   | —   | —   | 174 (C)  | —           |
|                             | <u>\$ 309</u>   | <u>\$ (40)</u>  | <u>\$ (443)</u>   | <u>\$ 174</u>  | <u>\$ —</u> |

(A) Transfer totaling \$40 thousand from the Administrative Fund to Mortgage Loan Program Fund funded costs related to issuance of Multifamily Revenue Bonds (\$40 thousand - MFRB2023C).

(B) Transfer totaling \$443 thousand from the Administrative Fund to Single Family Program Fund funded costs related to issuance of Revenue Bonds (\$443 thousand - RB2023BC).

(C) Transfer Land Bank Capacity Fund balance out of Administrative Fund and into Nonmajor Governmental Funds.

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**NOTE 5 PROGRAM LOANS RECEIVABLE**

The following summarizes program loans receivable, net of allowance for estimated losses, activity for the Authority for the year ended June 30, 2023, in thousands:

|   | Net Program<br>Loan Receivables<br>June 30, 2022 | Loan<br>Disbursements | Loan<br>Repayments | Loan<br>Transfers<br>In/(Out) | (Increase)/<br>Decrease in<br>Loan Loss<br>Allowance | Net Program<br>Loan Receivables<br>June 30, 2023 |
|---|--|-----------------------|--------------------|-------------------------------|--|--|
| <b>Governmental Funds:</b>                  |  |                       |                    |                               |  |  |
| Illinois Affordable Housing                 |  |                       |                    |                               |  |  |
| Trust Fund                                  | \$ 318,645                                       | \$ 30,077             | \$ (10,378)        | \$ —                          | \$ (1,807)   | \$ 336,537                                       |
| HOME Program Fund                           | 287,016  | 19,166                | (7,266)            | —                             | (3,137)  | 295,779  |
| Build Illinois Bond Program                 | 6,883  | —                     | (47)               | —                             | 15   | 6,851  |
| ARRA Program                                | 58,550   | 1                     | (305)              | —                             | (67)   | 58,179   |
| NSP   | 2,629  | 1                     | 2                  | —                             | —  | 2,628  |
| CDBG  | 5,359  | —                     | —                  | —                             | (259)  | 5,100  |
| National Housing Trust Fund                 | 9,028  | 20                    | (23)               | —                             | 1,067  | 10,092   |
| Non-Major Governmental Funds                | 75,566   | 22                    | (330)              | —                             | 741  | 75,999   |
| Total Governmental Funds                    | <u>\$ 688,110</u>                                | <u>\$ 49,265</u>      | <u>\$ (18,021)</u> | <u>\$ —</u>                   | <u>\$ (4,188)</u>                                    | <u>\$ 715,166</u>                                |
| <b>Proprietary Fund:</b>                    |  |                       |                    |                               |  |  |
| Administrative Fund                         | \$ 46,637  | \$ 57,578             | \$ (51,056)        | \$ —                          | \$ 2,611   | \$ 55,770  |
| <b>Mortgage Loan Program Fund:</b>          |  |                       |                    |                               |  |  |
| Housing Bonds                               | 105,911  | 6,194                 | (5,804)            | —                             | (263)  | 106,038  |
| Multifamily Initiative Bonds                | 14,776   | —                     | (455)              | —                             | (56)   | 14,265   |
| Affordable Housing Program Trust Fund Bonds | 5,264  | 297                   | (550)              | —                             | 31   | 5,042  |
| Multifamily Revenue Bonds                   | 270,547  | 42,318                | (10,194)           | —                             | 198  | 302,869  |
| Total Mortgage Loan Program Fund            | <u>396,498</u>                                   | <u>48,809</u>         | <u>(17,003)</u>    | <u>—</u>                      | <u>(90)</u>  | <u>428,214</u>                                   |
| <b>Single Family Program Fund:</b>          |  |                       |                    |                               |  |  |
| Homeowner Mortgage Revenue Bonds            | 97,694   | 12,197                | (20,968)           | —                             | 855  | 89,778   |
| Revenue Bonds                               | 111  | —                     | (40)               | —                             | 1  | 72   |
| Total Single Family Program Fund            | <u>97,805</u>                                    | <u>12,197</u>         | <u>(21,008)</u>    | <u>—</u>                      | <u>856</u>   | <u>89,850</u>                                    |
| Total Proprietary Funds                     | <u>\$ 540,940</u>                                | <u>\$ 118,584</u>     | <u>\$ (89,067)</u> | <u>\$ —</u>                   | <u>\$ 3,377</u>                                      | <u>\$ 573,834</u>                                |

Loans receivable in the Mortgage Loan Program Fund are secured by first mortgage liens on the related developments. Each development is subject to a regulatory agreement under which the Authority has certain powers relating to rents, profits, occupancy, management, and operations. Monies are required to be deposited in reserve accounts monthly by all mortgagors for real estate tax reserves and by substantially all mortgagors for insurance and replacement reserves. See note 9 regarding these reserves and other deposits held in escrow.

The ability of the mortgagors to make required payments on the mortgage loans receivable depends principally upon the related developments achieving and sustaining sufficient occupancy and rental levels to support such payments. With respect to most developments financed from proceeds of the Mortgage Loan Program Funds, the Authority, HUD, and the owners of the developments have entered into agreements whereby HUD will make, under its Section 8 Program, housing assistance payments for the developments. Such federal subsidies,

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**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

together with the rents to be paid by the tenants, are estimated by the Authority prior to its issuing an initial mortgage loan commitment, to provide sufficient funds to pay the costs of operation, maintenance, administration, mortgage payments, and Authority fees with respect to each of the developments.

For certain past delinquencies, the related developments have not been able to generate net rental income sufficient to pay scheduled debt service and reserve deposits in full. In the opinion of the Authority, these deficiencies of net rental income have arisen for various reasons including (i) the existence of physical defects in the development which have caused operational problems, (ii) higher than anticipated operating expenses of the development, and (iii) depressed rental market conditions in the development's local area.

In certain cases, cash deficiencies of developments, including certain developments as to which the related mortgage loans are not delinquent as to scheduled debt service payments or required reserve deposits, have been funded in part by advances from the owners of the respective developments. However, there generally can be no assurance that the owners will make additional advances for this purpose. For certain mortgage loans, the Authority holds reserve deposits and letters of credit that may be applied toward delinquencies.

At June 30, 2023, for loans financed under the Mortgage Loan Program Fund, one loan was in arrears in amounts equal to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling \$140.5 thousand and \$2.0 million, respectively.

The Authority has pursued actions available under the mortgage and regulatory agreements to cure certain delinquencies. With respect to some developments, the need for capital improvements, repairs, marketing campaigns and other expenditures may be indicated. Where necessary and appropriate, the Authority has committed and/or advanced residual income loans from the Administrative Fund or mortgage loan increases from the related program account to finance these expenditures. In certain instances, the Authority has initiated actions to effect necessary changes in the management of the developments. In addition, the Authority has, in some cases, filed suit against the applicable general contractors and/or bonding companies seeking corrections of the development's physical defects and has instituted foreclosure proceedings for certain developments.

The Authority's policy for converting mortgage loans, except for loans financed under the Single-Family Mortgage Loan Program, to non-accrual status is to discontinue the accrual of interest when a loan becomes 90 days past due. In addition, the Authority does not accrue interest income on loans in which payments are to be made from residual receipts of the development. Payments on such loans are recognized only as received. For loans receivable within the Single-Family Mortgage Loan Program, the Authority accrues interest income on all loans unless they become real estate owned properties, at which time the accrual is suspended.

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**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

The Authority does not accrue interest income on approximately \$3.8 million of mortgage loans recorded in the Administrative Fund. Payments made on such loans, which generally are payable from residual receipts, if any, of the affected development funds, are recognized only as received. The annual amount of interest on these loans is approximately \$78.6 thousand.

In fiscal year 2016, the Authority entered into a new financing agreement with the Federal Financing Bank (FFB), an arm of the United States Department of Treasury, for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured under the FHA-HFA Risk Sharing Program. The Authority sells beneficial ownership interest in its mortgages under this program to FFB. Beneficial ownership interest in mortgage loans that the Authority sells to the FFB will be evidenced by certificates of participation from the Authority. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the scheduled mortgage principal payments. Through fiscal year 2023, the Authority sold beneficial ownership interests in loans for 17 affordable Multi-Family developments totaling \$117.9 million to the FFB.

The Authority, as of June 30, 2023, has 59 outstanding Risk Sharing Loans totaling \$535.7 million and elected that HUD assume 10% to 90% of the loss with respect to those loans as a result of the existing Risk Sharing agreement. Five of these loans totaling \$17.9 million were financed through the issuance of the Authority's Housing Bonds, one loan totaling \$14.7 million was financed through the issuance of the Authority's Multi-Family Initiative Bonds, one loan totaling \$2.0 million were financed through the issuance of the Administrative Fund, and 26 loans totaling \$336.4 million were financed through the issuance of the Authority's Multi-Family Revenue Bonds. The remaining 26 loans totaling \$164.7 million are not included in the Authority's financial statements as the Authority sold 10% to 90% participation interests in the loans to outside parties.

At June 30, 2023, for loans financed under the FHA-HFA Risk Sharing Program where the Authority sold 100% participation interest in the loans to outside parties, there were no amounts in arrears equal to more than two months debt service payments or required deposits to tax and insurance and/or replacement reserves.

At June 30, 2023, for loans financed under the Mortgage Participation Certificate Program, where the Authority has sold 100% participation interests in the loans to outside parties, there were no amounts in arrears equal to more than three months of debt service payments or required deposits to tax and insurance and/or replacement reserves. The loss reserve for loans financed under this program, totaling \$2.3 million as of June 30, 2023, is recorded in accrued liabilities (and other) in the Administrative Fund.

As of June 30, 2023, for mortgage loans insured with Ambac Assurance Corporation (Ambac) on Multi-Family housing developments under the Authority's Mortgage Participation Certificate Program, the Authority has outstanding three Ambac loans totaling \$5.3 million. These loans are not included in the Authority's financial statements as the Authority sold 100% participation interests in the loans to outside parties. Ambac has guaranteed repayment of principal and interest due on a timely or accelerated basis in accordance with the agreement between the

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**NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)**

Authority and Ambac. The agreement allows (or provides) the Authority to share its risk with Ambac on the aggregate loan portfolio after the satisfaction of certain requirements and thresholds.

At June 30, 2023, for loans financed under Ambac Assurance Corporation (Ambac), one loan was in arrears an amount equals to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling \$23.2 thousand and \$1.0 million, respectively.

The following summarizes the changes in the allowance for estimated losses on program loans receivable during the year ended June 30, 2023, follows in, thousands:

|  | Allowance for<br>estimated<br>losses June<br>30, 2022 | Provision for/<br>(reversal of)<br>estimated<br>losses | Write-offs of<br>uncollectible<br>losses, net of<br>recoveries | Allowance for<br>estimated<br>losses June<br>30, 2023 |
|--|---|--|--|---|
| Governmental Funds:                    |   |  |  |   |
| Illinois Affordable Housing Trust Fund | \$ 49,452   | \$ 1,874   | \$ (67)  | \$ 51,259   |
| HOME Program Fund                      | 31,806  | 3,186  | (49)   | 34,943  |
| Build Illinois Bond Program            | 3,830   | (15)   | —  | 3,815   |
| Nonmajor Governmental Funds            | 18,479  | (741)  | —  | 17,738  |
| Total Governmental Funds               | <u>\$ 103,567</u>                                     | <u>\$ 4,304</u>  | <u>\$ (116)</u>  | <u>\$ 107,755</u>                                     |
| Proprietary Funds:                     |   |  |  |   |
| Administrative Fund                    | \$ 9,169  | \$ (2,577)   | \$ (34)  | \$ 6,558  |
| Mortgage Loan Program Fund             | 3,360   | 137  | (47)   | 3,450   |
| Single Family Program Fund             | 2,221   | (856)  | —  | 1,365   |
| Total Proprietary Funds                | <u>\$ 14,750</u>                                      | <u>\$ (3,296)</u>                                      | <u>\$ (81)</u>   | <u>\$ 11,373</u>                                      |

The provision for estimated losses for the Illinois Affordable Housing Trust Fund is recorded as a reduction to the amount due to the State of Illinois to reflect the State of Illinois net position interest in the program.

State statute (30 ILCS 205/2) requires that all uncollected receivables due that exceed \$1,000 be submitted to the Illinois Attorney General to be certified as uncollectible before the Authority can delete such receivables from its records. As of June 30, 2023, the Authority has 11 loans certifications outstanding, totaling \$213.7 thousand. Certification requests are anticipated to be filed as loss amounts are determined following the conclusion of foreclosure or other loss mitigation activities. The Authority has established provisions for estimated losses against such loans requested and to be requested for such certifications in amounts equal to the outstanding principal balances of the loans.

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**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

Scheduled receipts of principal on gross program loans receivable in certain governmental funds and proprietary funds in the five years subsequent to June 30, 2023, and thereafter are as follows (in thousands):

**Governmental Funds**

|            | Illinois<br>Affordable<br>Housing Trust<br>Fund | HOME<br>Program Fund | American<br>Recovery and<br>Reinvestment<br>Act Fund | Build Illinois<br>Bond Program |
|------------|---|----------------------|--|--------------------------------|
| 2024       | \$ 21,299                                       | \$ 23,601            | \$ 273   | \$ 26                          |
| 2025       | 9,945   | 8,983                | 238  | 49                             |
| 2026       | 11,344  | 15,852               | 248  | 26                             |
| 2027       | 9,886   | 10,311               | 3,100  | 26                             |
| 2028       | 9,375   | 11,147               | 9,258  | 26                             |
| After 2028 | 325,947   | 260,828              | 61,406   | 10,513                         |
|            | <u>\$ 387,796</u>                               | <u>\$ 330,722</u>    | <u>\$ 74,523</u>                                     | <u>\$ 10,666</u>               |

**Proprietary Funds**

|            | Administrative<br>Fund | Mortgage<br>Loan Program<br>Fund | Single Family<br>Program Fund |
|------------|------------------------|----------------------------------|-------------------------------|
| 2024       | \$ 812                 | \$ 6,840                         | \$ 10,834                     |
| 2025       | 1,006                  | 8,893                            | 10,815                        |
| 2026       | 8,219                  | 8,518                            | 10,797                        |
| 2027       | 52,291                 | 8,650                            | 10,783                        |
| 2028       | —                      | 8,967                            | 10,783                        |
| After 2028 | —                      | 389,796                          | 37,203                        |
|            | <u>\$ 62,328</u>       | <u>\$ 431,664</u>                | <u>\$ 91,215</u>              |

Amounts recorded as due from FNMA (Fannie Mae) and the Federal Home Loan Mortgage Corporation (FHLMC/Freddie Mac) in the Mortgage Loan Program Fund represent the disbursed bond proceeds and accrued interest on certain bond issues which are secured by credit enhancements provided by FNMA and FHLMC. Under these obligations, the bond trustee may draw funds directly from FNMA and FHLMC when needed and in amounts sufficient to make timely payments of principal and interest on the bond issues when due and payable.



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**NOTE 6 REAL ESTATE HELD FOR SALE**

An analysis of real estate for sale, net of allowance for estimated losses, as of June 30, 2023, is shown below (in thousands):

Proprietary Funds:

|                               | Administrative<br>Fund | Mortgage<br>Loan<br>Program | Single Family<br>Program Fund | Total         |
|-------------------------------|------------------------|-----------------------------|-------------------------------|---------------|
| Balance at June 30, 2022      | \$ 75                  | \$ —                        | \$ 181                        | \$ 256        |
| Transfers of loans            | —                      | 13                          | 1,074                         | 1,087         |
| Proceeds received/write-offs  | —                      | (13)                        | (955)                         | (968)         |
| Change in loan loss allowance | —                      | —                           | (273)                         | (273)         |
| Balance at June 30, 2023      | <u>\$ 75</u>           | <u>\$ —</u>                 | <u>\$ 27</u>                  | <u>\$ 102</u> |

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for year ended June 30, 2023, for governmental activities, was zero and capital asset activity for the fiscal year ended June 30, 2023, for business-type activities, was as follows (in thousands):

|  | Balance<br>July 1, 2022<br>As Restated <sup>(1)</sup> | Additions         | Deletions       | Balance<br>June 30,<br>2023 |
|--|---|-------------------|-----------------|-----------------------------|
| Capital assets being depreciated                     |   |                   |                 |                             |
| Administrative Fund                                  |   |                   |                 |                             |
| Furniture and equipment                              | \$ 7,178  | \$ 621            | \$ (84)         | \$ 7,715                    |
| Right to use Equipment                               | —   | 118               | —               | 118                         |
| Right to use Building                                | 7,264   | —                 | (530)           | 6,734                       |
| Right to use SBITAs                                  | 5,051   | —                 | —               | 5,051                       |
| Mortgage Loan Program Fund                           |   |                   |                 |                             |
| Real estate  | 50,557  | 1,084             | —               | 51,641                      |
| Total capital assets being depreciated               | <u>70,050</u>   | <u>1,823</u>      | <u>(614)</u>    | <u>71,259</u>               |
| Total capital assets                                 | 70,050  | 1,823             | (614)           | 71,259                      |
| Accumulated depreciation and amortization            |   |                   |                 |                             |
| Administrative Fund                                  |   |                   |                 |                             |
| Furniture and equipment                              | 5,910   | 681               | (84)            | 6,507                       |
| Right to use Equipment                               | —   | 36                | —               | 36                          |
| Right to use Building                                | 1,341   | 1,341             | —               | 2,682                       |
| Right to use SBITAs                                  | —   | 1,134             | —               | 1,134                       |
| Mortgage Loan Program Fund                           |   |                   |                 |                             |
| Real estate  | 26,971  | 1,182             | —               | 28,153                      |
| Total accumulated depreciation and amortization      | <u>34,222</u>   | <u>4,374</u>      | <u>(84)</u>     | <u>38,512</u>               |
| Capital assets, net of depreciation and amortization | <u>\$ 35,828</u>                                      | <u>\$ (2,551)</u> | <u>\$ (530)</u> | <u>\$ 32,747</u>            |

(1) The beginning balance was restated due to implementation of GASB Statement No. 96. See Note 2E.

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YEAR ENDED JUNE 30, 2023

**NOTE 8 BONDS AND NOTES PAYABLE**

The following summarizes the debt activity for the Authority's proprietary funds for the fiscal year ended June 30, 2023, (in thousands):

|  | June 30,<br>2022    | Additions           | Deductions            | June 30,<br>2023    | Amount due<br>within one<br>year |
|--|---------------------|---------------------|-----------------------|---------------------|----------------------------------|
| Administrative Fund:                           |                     |                     |                       |                     |                                  |
| Direct Borrowing                               |                     |                     |                       |                     |                                  |
| Federal Home Loan Bank<br>Advances             | \$ 23,556           | \$ 2,147,430        | \$ (2,149,275)        | \$ 21,711           | \$ 1,768                         |
| Total Administrative<br>Fund                   | 23,556              | 2,147,430           | (2,149,275)           | 21,711              | 1,768                            |
| Mortgage Loan Program Fund:                    |                     |                     |                       |                     |                                  |
| Direct Placement                               |                     |                     |                       |                     |                                  |
| Multifamily Initiative Bonds                   | 50,020              | —                   | (1,240)               | 48,780              | 1,220                            |
| Multifamily Revenue Bonds                      | 147,155             | 8,640               | (850)                 | 154,945             | 985                              |
| Other Debt                                     |                     |                     |                       |                     |                                  |
| Housing Bonds                                  | 86,575              | —                   | (7,520)               | 79,055              | 28,445                           |
| Multifamily Revenue Bonds                      | 189,806             | 28,800              | (7,455)               | 211,151             | 2,093                            |
| Total Mortgage Loan<br>Program Fund            | 473,556             | 37,440              | (17,065)              | 493,931             | 32,743                           |
| Single Family Program Fund:                    |                     |                     |                       |                     |                                  |
| Other Debt                                     |                     |                     |                       |                     |                                  |
| Homeowner Mortgage<br>Revenue Bonds            | 202,250             | —                   | (24,405)              | 177,845             | 67,020                           |
| Premium on Homeowner<br>Mortgage Revenue Bonds | 2,601               | —                   | (265)                 | 2,336               | —                                |
| Housing Revenue Bonds                          | 45,257              | —                   | (4,460)               | 40,797              | 1,364                            |
| Premium on Housing<br>Revenue Bonds            | 4                   | —                   | (1)                   | 3                   | —                                |
| Discount on Housing<br>Revenue Bonds           | (654)               | —                   | 98                    | (556)               | —                                |
| Revenue Bonds                                  | 1,166,020           | 884,870             | (99,546)              | 1,951,344           | 35,990                           |
| Premium on Revenue Bonds                       | 35,170              | 17,589              | (4,225)               | 48,534              | —                                |
| Total Single Family<br>Program Fund            | 1,450,648           | 902,459             | (132,804)             | 2,220,303           | 104,374                          |
| Total Proprietary<br>Funds                     | <u>\$ 1,947,760</u> | <u>\$ 3,087,329</u> | <u>\$ (2,299,144)</u> | <u>\$ 2,735,945</u> | <u>\$ 138,885</u>                |

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YEAR ENDED JUNE 30, 2023

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

Bonds and notes outstanding are general obligations (G.O.) of the Authority with the exception of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, Revenue Bonds, Multi-Family Initiative Bonds and Multi-Family Revenue Bonds, which are special limited obligations (S.L.O.) of the Authority. S.L.O. bonds, other than Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged property as defined in their respective general resolutions. Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged mortgage-backed securities. Certain issues of Multi-Family Initiative Bonds are credit enhanced by FNMA and FHLMC. The Authority has also pledged its general obligations to a limited extent and amounts, of which there are no bonds or obligations outstanding as of June 30, 2023. Per GASB Statement No. 88 disclosure requirements, the Authority is required to disclose direct borrowings, direct placement of debt, as well as other debt that it may hold. As seen in the table above, the Authority currently holds \$21.7 million in direct borrowings of debt, all within the Administrative Fund. The Authority also holds \$203.7 million in direct placements of debt, all within the Mortgage Loan Program fund. The remainder of debt held by the Authority is classified as Other Debt, and is located within the Mortgage Loan Program Fund, totaling \$290.2 million, and the Single Family Program Fund, totaling \$2.2 billion, and for an Other Debt totaling of \$2.5 billion.

The Authority has pledged future mortgage loan and mortgage-backed security revenues, net of specified operating expenses, to repay outstanding principal \$2.6 billion of S.L.O. bonds as noted in the following schedules for the Mortgage Loan Program Fund and Single Family Program Fund. The total principal and interest remaining to be paid on the S.L.O. Bonds is \$4.3 billion. For S.L.O. bonds payable from pledged property, interest paid for the fiscal year ended June 30, 2023, was \$49.6 million, and total related mortgage loan principal and interest received were \$19.4 million and \$15.9 million, respectively.

The Authority's outstanding obligations from direct borrowing relating to business-type activities contain provisions declaring events of default based on nonpayment on monies owed, failure to meet certain conditions under the governing documents, the Authority ceasing to be eligible as a housing associate under the Act, and other defined provisions within the applicable agreements. The lenders under each of the agreements have rights of principal acceleration under the governing documents based on aforementioned events of default. Subject to the provisions outlined within the respective agreements, additional remedies and enforcement exist.

Bonds and notes outstanding at June 30, 2023, are as follows. Listed maturity dates are indicated as calendar years. The June 30, 2022, amounts are shown for comparative purposes only.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**A. Mortgage Loan Program Fund**

Bonds outstanding of the Mortgage Loan Program Fund are as follows (in thousands):

|                           | Maturity Dates | Interest Rate Range % | Debt Class | Amount           |                  |
|---------------------------|----------------|-----------------------|------------|------------------|------------------|
|                           |                |                       |            | June 30,         | June 30,         |
|                           |                |                       |            | 2023             | 2022             |
| Housing Bonds:            |                |                       |            |                  |                  |
| 2008 Series A (1)         | 2023-2027      | Variable              | G.O.       | \$ 9,130         | \$ 9,490         |
| 2008 Series B (1)         | 2023-2027      | Variable              | G.O.       | 13,785           | 16,085           |
| 2008 Series C (1)         | 2023-2041      | Variable              | G.O.       | 4,085            | 4,220            |
| 2013 Series B (Taxable)   | 2023-2024      | 3.35-3.605            | G.O.       | 2,175            | 4,000            |
| 2015 Series A-1           | 2023-2027      | 2.85-3.40             | G.O.       | 1,815            | 2,190            |
| 2015 Series A-3 (Taxable) |                |                       |            |                  |                  |
| (1)                       | 2045           | Variable              | G.O.       | 18,065           | 20,415           |
| 2017 Series A-1 (Taxable) | 2022           | 291%                  | G.O.       | —                | 175              |
| 2017 Series A-2 (Taxable) |                |                       |            |                  |                  |
| (1)                       | 2027-2048      | Variable              | G.O.       | 30,000           | 30,000           |
| Total Housing Bonds       |                |                       |            | <u>\$ 79,055</u> | <u>\$ 86,575</u> |

- In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3.95% to 5.25% at June 30, 2023. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing-by-remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The current liquidity agreements for 2008 Series A, B, and C expire on April 24, 2024. The current agreements for 2015 Series A-3 and 2017 Series A-2 expire on December 30, 2024, and November 3, 2026, respectively.

The Bonds and Bank Bonds are general obligations of the Authority and the timely payment of principal and interest on the Bonds and Bank Bonds are subject to credit enhancement agreements with credit enhancement providers. The Authority has a general obligation to reimburse the liquidity providers and credit enhancement providers for any such payments made.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**A. Mortgage Loan Program Fund (Continued)**

Bonds outstanding of the Mortgage Loan Program Fund are as follows (in thousands):

|  | Maturity<br>Dates | Range %   | Debt Class | Amount     |            |
|--|-------------------|-----------|------------|------------|------------|
|  |                   |           |            | June 30,   | June 30,   |
|  |                   |           |            | 2023       | 2022       |
| Multi-Family Initiative<br>Bonds:      |                   |           |            |            |            |
| Series 2009 E                          | 2023-2042         | 2.32      | S.L.O.     | 3,940      | 4,030      |
| Series 2009 F                          | 2023-2041         | 2.32      | S.L.O.     | 4,720      | 4,830      |
| Series 2009 G                          | 2023-2041         | 2.32      | S.L.O.     | 7,070      | 7,240      |
| Series 2009 H                          | 2023-2041         | 2.32      | S.L.O.     | 9,400      | 9,620      |
| Series 2009 I                          | 2023-2051         | 2.32      | S.L.O.     | 8,350      | 8,530      |
| Series 2009 J                          | 2023-2043         | 3.84      | S.L.O.     | 15,300     | 15,770     |
| Total Multi-Family<br>Initiative Bonds |                   |           |            | 48,780     | 50,020     |
| Multi-Family Revenue<br>Bonds:         |                   |           |            |            |            |
| 2016 Series A (Taxable)                | 2023-2048         | 2.63      | S.L.O.     | 7,753      | 13,283     |
| 2017 Series A                          | 2023-2059         | 4.05      | S.L.O.     | 25,057     | 25,297     |
| 2017 Series B                          | 2023-2043         | 3.21      | S.L.O.     | 9,550      | 9,785      |
| 2019 Series A                          | 2023-2063         | 1.50-3.40 | S.L.O.     | 29,051     | 29,050     |
| 2020 Series A                          | 2023-2060         | 1.85-3.85 | S.L.O.     | 5,655      | 5,705      |
| 2020 Series B                          | 2023-2062         | 2.40-4.15 | S.L.O.     | 2,910      | 2,930      |
| 2020 Series C                          | 2023-2062         | 2.45-4.10 | S.L.O.     | 1,625      | 1,645      |
| 2020 Series D (Taxable)                | 2023-2062         | 3.40-4.65 | S.L.O.     | 1,685      | 1,695      |
| 2021 Series A                          | 2024-2041         | 2.07      | S.L.O.     | 84,895     | 84,895     |
| 2021 Series B                          | 2023-2042         | 0.40-2.06 | S.L.O.     | 27,925     | 28,475     |
| 2021 Series C                          | 2025-2065         | 0.60-3.05 | S.L.O.     | 77,005     | 78,005     |
| 2022 Series A                          | 2023-2062         | 2.65      | S.L.O.     | 21,610     | 21,810     |
| 2022 Series B                          | 2023-2062         | 2.35-4.45 | S.L.O.     | 10,760     | 10,815     |
| 2022 Series C                          | 2023-2052         | Variable  | S.L.O.     | 23,175     | 23,571     |
| 2023 Series A                          | 2023-2064         | 1.1-2.9   | S.L.O.     | 8,640      | —          |
| 2023 Series B                          | 2023-2042         | 2.85-4.35 | S.L.O.     | 17,070     | —          |
| 2023 Series C                          | 2023-2065         | 0.00      | S.L.O.     | 11,730     | —          |
| Total Multi-Family<br>Revenue Bonds    |                   |           |            | 366,096    | 336,961    |
| Total Mortgage Loan<br>Program Fund    |                   |           |            | \$ 493,931 | \$ 473,556 |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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YEAR ENDED JUNE 30, 2023

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund**

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

|  | Maturity Dates | Interest Rate Range % | Debt Class | Amount            |                   |
|--|----------------|-----------------------|------------|-------------------|-------------------|
|  |                |                       |            | June 30, 2023     | June 30, 2022     |
| Homeowner Mortgage Revenue Bonds:      |                |                       |            |                   |                   |
| 2002 Series B (Taxable) (1)            | 2023-2023      | Variable              | S.L.O.     | \$ —              | \$ 75             |
| 2004 Series C-3 (2)                    | 2025-2034      | Variable              | S.L.O.     | 8,895             | 9,305             |
| 2014 Series A                          | 2023-2024      | 3.25-3.40             | S.L.O.     | 1,860             | 6,705             |
| 2014 Series A-4 (Taxable) (2)          | 2026-2034      | Variable              | S.L.O.     | 10,130            | 10,675            |
| 2014 Series A-5 (Taxable) (2)          | 2025-2035      | Variable              | S.L.O.     | 19,005            | 20,000            |
| 2014 Series B                          | 2023-2024      | 3.25-3.40             | S.L.O.     | 530               | 945               |
| 2016 Series A (Taxable)                | 2023-2034      | 4.00                  | S.L.O.     | 3,205             | 5,265             |
| 2016 Series B                          | 2035-2046      | 3.00                  | S.L.O.     | 4,915             | 5,750             |
| 2016 Series C                          | 2023-2046      | 1.90-3.50             | S.L.O.     | 60,595            | 65,665            |
| 2018 Series A-1                        | 2026-2048      | 2.95-4.00             | S.L.O.     | 32,650            | 35,785            |
| 2018 Series A-2 (2)                    | 2031-2038      | Variable              | S.L.O.     | 30,000            | 30,000            |
| 2018 Series A-3                        | 2023-2026      | 3.00-3.35             | S.L.O.     | 6,060             | 12,080            |
|  |                |                       |            | <u>177,845</u>    | <u>202,250</u>    |
| Plus Unamortized Premium               |                |                       |            |                   |                   |
| Thereon                                |                |                       |            | <u>2,336</u>      | <u>2,601</u>      |
| Total Homeowner Mortgage Revenue Bonds |                |                       |            | <u>\$ 180,181</u> | <u>\$ 204,851</u> |

- (1) In accordance with the indenture, interest rates on the 2002 Series B bonds are determined and paid semi-annually based upon an index of the one-month LIBOR rate plus 0.415%. There are no longer any bonds outstanding at June 30, 2023.
- (2) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3.200% to 5.130% at June 30, 2023. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders ("Bank Bonds"). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The liquidity agreement for 2004 Series C-3 expires on July 13, 2025. The liquidity agreements for 2014 Series A-4 and 2014 Series A-5 expire on March 15, 2024, and March 10, 2024, respectively, and the liquidity agreements for 2018 Series A-2 expire on July 11, 2028.

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**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund (Continued)**

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

|   | Maturity<br>Dates | Interest Rate<br>Range % | Debt Class | Amount           |                  |
|---|-------------------|--------------------------|------------|------------------|------------------|
|   |                   |                          |            | June 30,<br>2023 | June 30,<br>2022 |
| Housing Revenue Bonds:                  |                   |                          |            |                  |                  |
| Series 2011-1A                          | 2023-2041         | 3.285%                   | S.L.O.     | \$ 2,040         | \$ 2,297         |
| Series 2011-1C                          | 2023-2041         | 3.285                    | S.L.O.     | 5,785            | 6,512            |
| Series 2012A (Taxable)                  | 2023-2042         | 2.625                    | S.L.O.     | 7,470            | 8,273            |
| Series 2013A                            | 2023-2043         | 2.450                    | S.L.O.     | 16,800           | 18,373           |
| Series 2013B (Taxable)                  | 2023-2043         | 2.750                    | S.L.O.     | 4,751            | 5,395            |
| Series 2013C                            | 2023-2043         | 3.875                    | S.L.O.     | 3,951            | 4,407            |
|   |                   |                          |            | 40,797           | 45,257           |
| Plus: Unamortized<br>Premium<br>Thereon |                   |                          |            | 3                | 4                |
| Less: Unamortized<br>Discount           |                   |                          |            | (556)            | (654)            |
| Total Housing<br>Revenue Bonds          |                   |                          |            | \$ 40,244        | \$ 44,607        |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund (Continued)**

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

|                                  | Maturity Dates | Interest Rate Range % | Debt Class | Amount       |              |
|----------------------------------|----------------|-----------------------|------------|--------------|--------------|
|                                  |                |                       |            | June 30,     | June 30,     |
|                                  |                |                       |            | 2023         | 2022         |
| Revenue Bonds:                   |                |                       |            |              |              |
| 2016 Series A                    | 2023-2046      | 2.05-4.00%            | S.L.O.     | \$ 13,875    | \$ 18,485    |
| 2017 Series A                    | 2023-2047      | —                     | S.L.O.     | 21,803       | 23,909       |
| 2017 Series B                    | 2023-2048      | 2.30-4.00             | S.L.O.     | 39,290       | 48,425       |
| 2018 Series A                    | 2023-2048      | 2.70-4.50             | S.L.O.     | 33,305       | 40,370       |
| 2019 Series A                    | 2023-2049      | —                     | S.L.O.     | 18,780       | 21,510       |
| 2019 Series B (1)                | 2042           | variable              | S.L.O.     | 30,000       | 30,000       |
| 2019 Series C                    | 2023-2049      | 1.70-4.00             | S.L.O.     | 44,205       | 51,130       |
| 2019 Series D                    | 2023-2050      | 1.50-3.75             | S.L.O.     | 66,960       | 76,800       |
| 2020 Series A                    | 2023-2050      | 1.00-3.75             | S.L.O.     | 82,185       | 91,220       |
| 2020 Series B                    | 2023-2050      | 0.45-3.00             | S.L.O.     | 55,115       | 64,045       |
| 2020 Series C (1)                | 2042           | variable              | S.L.O.     | 40,000       | 40,000       |
| 2021 Series A                    | 2023-2051      | 0.30-3.00             | S.L.O.     | 78,525       | 85,150       |
| 2021 Series B                    | 2023-2051      | 0.35-3.00             | S.L.O.     | 110,300      | 120,245      |
| 2021 Series C (taxable)          | 2023-2031      | 0.353-2.228           | S.L.O.     | 16,960       | 18,650       |
| 2021 Series D                    | 2023-2051      | 0.25-3.00             | S.L.O.     | 113,575      | 122,915      |
| 2021 Series E (taxable)          | 2023-2031      | 0.42-2.08             | S.L.O.     | 16,385       | 18,165       |
| 2022 Series A                    | 2023-2052      | 1.85-3.50             | S.L.O.     | 119,745      | 125,000      |
| 2022 Series B (taxable)          | 2023-2032      | 2.60-4.03             | S.L.O.     | 19,115       | 20,000       |
| 2022 Series C                    | 2023-2052      | 2.30-4.50             | S.L.O.     | 87,770       | 90,140       |
| 2022 Series D                    | 2045           | variable              | S.L.O.     | 59,861       | 59,861       |
| 2022 Series E                    | 2023-2052      | 2.35-5.25             | S.L.O.     | 98,735       | —            |
| 2022 Series F                    | 2045           | variable              | S.L.O.     | 50,000       | —            |
| 2022 Series G                    | 2023-2052      | 5.5-6.25              | S.L.O.     | 149,985      | —            |
| 2022 Series H                    | 2053           | 3.5                   | S.L.O.     | 100,000      | —            |
| 2023 Series A                    | 2023-2053      | 3.20-5.25             | S.L.O.     | 120,000      | —            |
| 2023 Series B (taxable)          | 2023-2053      | 4.895-5.628           | S.L.O.     | 37,500       | —            |
| 2023 Series C (taxable)          | 2046           | variable              | S.L.O.     | 37,500       | —            |
| 2023 Series D                    | 2029-2053      | 3.20-5.50             | S.L.O.     | 100,000      | —            |
| 2023 Series E (taxable)          | 2024-2053      | 4.528-5.75            | S.L.O.     | 86,580       | —            |
| 2023 Series F (taxable)          | 2046           | variable              | S.L.O.     | 43,290       | —            |
| 2023 Series G                    | 2054           | 3.5                   | S.L.O.     | 60,000       | —            |
|                                  |                |                       |            | 1,951,344    | 1,166,020    |
| Plus: Unamortized Premium        |                |                       |            |              |              |
| Thereon                          |                |                       |            | 48,534       | 35,170       |
| Total Revenue Bonds              |                |                       |            | 1,999,878    | 1,201,190    |
| Total Single Family Program Fund |                |                       |            | \$ 2,220,303 | \$ 1,450,648 |

(1) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3.95% to 5.08% at June 30, 2023. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points for all bonds issued prior to 2023; the interest rate that will be paid during the put periods on the Series 2023 C and Series 2023 F is SOFR plus 275 basis points. The liquidity agreement for 2019 Series B expires on March 7, 2024, the liquidity agreement for 2020 Series C expires on October 15, 2025, the liquidity agreement for 2022 Series D expires on May 18, 2027, the liquidity agreement for 2022 Series F expires on September 21, 2027, the liquidity agreement for 2023 C expires on March 29, 2028, and the liquidity agreement for 2023 F expires on June 1, 2028.



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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**C. Administrative Fund**

Outstanding debt of the Administrative Fund is as follows (in thousands):

|                   | Maturity Date | Interest Rate (1) | Debt Class | Amount           |                  |
|-------------------|---------------|-------------------|------------|------------------|------------------|
|                   |               |                   |            | June 30,         | June 30,         |
|                   |               |                   |            | 2023             | 2022             |
| Direct Borrowing: |               |                   |            |                  |                  |
| Federal Home Loan |               |                   |            |                  |                  |
| Bank Advances:    |               |                   |            |                  |                  |
|                   | 2022          | 1.37              | Loan       | \$ —             | \$ 12,556        |
|                   | 2023          | 5.23              | Loan       | 11,060           | —                |
|                   | 2024          | 2.35              | Loan       | 1,406            | 1,406            |
|                   | 2027          | 2.37              | Loan       | 657              | 808              |
|                   | 2027          | 2.70              | Loan       | 8,588            | 8,786            |
|                   |               |                   |            | <u>\$ 21,711</u> | <u>\$ 23,556</u> |

(1) Interest rate on the loan(s) may be fixed or variable, and is determined by type, length, and use of proceeds.

**D. Current Refundings of Debt**

On March 29, 2023, the Authority issued three (3) series of fixed rate and variable rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2023 ABC (“Bonds”), totaling \$195 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority’s outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, \$35.76 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) (“Refunded Obligations”). Following the refunding of the Refunded Obligations, an approximate amount of \$35.76 million currently allocated to the Refunded Obligations were reallocated to the Bonds to purchase participation interest in Mortgage-Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

On September 22, 2022, the Authority issued two (2) series of fixed rate and variable rate, tax-exempt Single Family Revenue Bonds designated as Revenue Bonds Series 2022 EF (“Bonds”), totaling \$150 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority’s outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, \$16.39 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) (“Refunded Obligations”).

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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**D. Current Refundings of Debt (Continued)**

Following the refunding of the Refunded Obligations, an approximate amount of \$16.39 million currently allocated to the Refunded Obligations will be reallocated to the Bonds to purchase participation interest in Mortgage-Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

**E. Other Financings**

From time to time, the Authority has issued conduit obligations with a claim for repayment solely from payments received with respect to the mortgage loans. The bonds are not general obligations of the Authority, and they are not a debt of the State of Illinois; neither is liable to pay interest and principal on the bonds. Accordingly, the bonds and the related mortgage loans are not included in the Authority's financial statements. The bonds do, however, apply toward the Authority's authorized debt limitation.

As of June 30, 2023, there were 130 series of such bonds or notes outstanding, with an aggregate principal amount payable of \$1,892 million.

**F. Assets Restricted for Capital and Debt Service Reserves**

Pursuant to the Act and various resolutions of the Authority, certain assets (principally investments) are maintained in capital and debt service reserve funds and may be used only for the payment of principal and interest on certain bonds. The reserve funds must be maintained at an amount at least equal to the following:

| Bonds                            | Requirement   |
|----------------------------------|---|
| Housing Bonds                    | The amount established by each series resolution, currently six months of maximum principal and interest payments.  |
| Multifamily Initiative Bonds     | The maximum amount of principal and interest due on any interest payment date excluding the final interest payment date.  |
| Multifamily Revenue Bonds        | One-half of the maximum amount of principal and interest due for the then-current or any future calendar year.  |
| Homeowner Mortgage Revenue Bonds | The sum of all amounts established by each series resolution, but such amount cannot be less than 2% for the Homeowner Mortgage Revenue Bonds of the sum of (i) the outstanding principal balance of related mortgage loans, and (ii) the amount on deposit to the credit of series program accounts of the program fund. |

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**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**F. Assets Restricted for Capital and Debt Service Reserves (Continued)**

The amounts of such reserves, for measurement purposes against the various bond resolution reserve requirements, are valued at book value or par, or, if purchased at less than par, at their cost to the Authority. At June 30, 2023, these reserve amounts, which were not less than the amounts required are as follows, in thousands:

|                                  |                     |
|----------------------------------|---------------------|
| Housing Bonds                    | \$      3,611       |
| Multifamily Initiative Bonds     | 561                 |
| Multifamily Revenue Bonds        | 9,092               |
| Homeowner Mortgage Revenue Bonds | 1,962               |
| Total                            | <u>\$    15,226</u> |

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**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**G. Debt Service Requirements**

Debt service requirements dollars in millions through 2028 and five year increments thereafter to maturity for the Authority's proprietary fund are as follows (in million):

|                          | Administrative Fund<br>Direct Borrowing: |               | Single Family<br>Program Fund<br>Other Debt: |                   |
|--------------------------|--|---------------|--|-------------------|
|                          | Principal                                | Interest      | Principal                                    | Interest          |
| YEAR ENDING JUNE 30:     |  |               |  |                   |
| 2024                     | \$ 1.8                                   | \$ 1.4        | \$ 104.4                                     | \$ 81.0           |
| 2025                     | 11.4                                     | 1.9           | 50.5   | 77.9              |
| 2026                     | 0.4                                      | 1.3           | 50.1   | 76.7              |
| 2027                     | 0.4                                      | 1.3           | 55.4   | 75.3              |
| 2028                     | 7.7                                      | 0.6           | 56.9   | 73.8              |
| FIVE YEAR ENDED JUNE 30: |  |               |  |                   |
| 2029-2033                | —  | —             | 293.8  | 342.4             |
| 2034-2038                | —  | —             | 258.2  | 295.9             |
| 2039-2043                | —  | —             | 384.1  | 243.8             |
| 2044-2048                | —  | —             | 418.9  | 157.2             |
| 2049-2053                | —  | —             | 337.1  | 67.0              |
| 2054-2058                | —  | —             | 160.7  | 4.9               |
|                          | <u>\$ 21.7</u>                           | <u>\$ 6.5</u> | <u>\$ 2,170.1</u>                            | <u>\$ 1,495.9</u> |

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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**G. Debt Service Requirements (Continued)**

|                                 | Mortgage Loan Program Fund |                |                 |                 |                 |                 |
|---------------------------------|----------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                 | Direct Placement of Debt:  |                | Other Debt:     |                 | Total           |                 |
|                                 | Principal                  | Interest       | Principal       | Interest        | Principal       | Interest        |
| <b>Year ending June 30:</b>     |                            |                |                 |                 |                 |                 |
| 2024                            | \$ 2.2                     | \$ 4.9         | \$ 30.5         | \$ 9.7          | \$ 32.7         | \$ 14.6         |
| 2025                            | 4.5                        | 4.9            | 3.5             | 9.2             | 8.0             | 14.0            |
| 2026                            | 4.1                        | 4.8            | 16.8            | 9.1             | 20.9            | 13.9            |
| 2027                            | 4.2                        | 4.7            | 16.9            | 8.6             | 21.1            | 13.3            |
| 2028                            | 4.4                        | 4.6            | 5.6             | 8.4             | 9.9             | 13.0            |
| <b>FIVE YEAR ENDED JUNE 30:</b> |                            |                |                 |                 |                 |                 |
| 2029-2033                       | 23.7                       | 21.1           | 29.3            | 38.9            | 53.0            | 60.1            |
| 2034-2038                       | 27.3                       | 18.0           | 32.0            | 33.0            | 59.4            | 51.0            |
| 2039-2043                       | 102.4                      | 12.1           | 29.6            | 27.1            | 132.1           | 39.2            |
| 2044-2048                       | 8.0                        | 4.1            | 43.9            | 18.8            | 51.9            | 22.9            |
| 2049-2053                       | 8.1                        | 2.9            | 25.2            | 12.3            | 33.2            | 15.2            |
| 2054-2058                       | 7.3                        | 1.8            | 26.0            | 7.8             | 33.3            | 9.5             |
| 2059-2063                       | 7.2                        | 0.6            | 23.2            | 3.4             | 30.4            | 4.0             |
| 2064-2068                       | 0.3                        | —              | 7.7             | 0.4             | 8.0             | 0.4             |
|                                 | <u>\$ 203.7</u>            | <u>\$ 84.4</u> | <u>\$ 290.2</u> | <u>\$ 186.7</u> | <u>\$ 493.9</u> | <u>\$ 271.1</u> |

The Authority's outstanding obligations from direct borrowing relating to business-type activities contain provisions declaring events of default based on nonpayment on monies owed, failure to meet certain conditions under the governing documents, the Authority ceasing to be eligible as a housing associate under the Act and other defined provisions within the applicable agreements. The lenders under each of the agreements have rights of principal acceleration under the governing documents based on aforementioned events of default. Subject to the provisions outlined within the respective agreements, additional remedies and enforcement exist.

The Authority has a line of credit in the Administrative Fund for cash advances with the Federal Home Loan Bank of Chicago up to \$250 million. The current undrawn portion of the Authority's authorized amount is \$228 million. The drawn amount of \$22 million is included in Bonds and Notes Payable.

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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments**

The incurring of obligations by the Authority involves a variety of interest rate payments and other risks, for which a variety of financial instruments are available to offset, hedge, or reduce these payments and risks. It is the policy of the Authority to utilize risk management agreements to better manage its assets and liabilities. The Authority may execute risk management agreements if the transaction can be expected to result in at least one of, but not limited to the following:

- a) The achievement of savings over alternative products existing in the capital markets;
- b) The management of the Authority's exposure to floating and fixed interest rates;
- c) Ability to access the capital markets more rapidly than may be possible with conventional debt instruments;
- d) The management of the Authority's exposure to the risk of changes in the legal and regulatory treatment of tax-exempt bonds; and
- e) The ability of the Authority to increase income, lower costs, or strengthen the Authority's financial position.

As of June 30, 2023, the Authority has active swap and interest rate cap contracts. Details are shown in the following tables, in thousands.

|   | Changes in fair value |          | Fair Value at June 30, 2023 |           | Notional   |
|---|-----------------------|----------|-----------------------------|-----------|------------|
|   | Classification        | Amount   | Classification              | Amount    |            |
| Business-Type Activities:                           |                       |          |                             |           |            |
| Cash Flow Hedges:                                   |                       |          |                             |           |            |
| Pay-Fixed/Receive Variable,<br>Interest Rate Swaps: |                       |          |                             |           |            |
| HMRB  | Deferred Inflow       | \$ 1,558 | **                          | \$ 1,663  | \$ 30,000  |
| RB  | Deferred Inflow       | \$ 8,420 | **                          | \$ 16,193 | \$ 223,150 |
| RB 2023 C   | Deferred Outflow      | \$ (176) | *                           | \$ (176)  | \$ 37,500  |
| MFRB Maywood  | Deferred Inflow       | \$ 2,330 | **                          | \$ 2,133  | \$ 24,995  |
| MFRB Burnham Manor                                  | Deferred Inflow       | \$ 384   | **                          | \$ 111    | \$ 12,725  |
| MFRB Autumn Ridge                                   | Deferred Inflow       | 258      | **                          | 258       | 11,730     |
| General Obligation                                  | Deferred Inflow       | \$ 246   | **                          | \$ 193    | \$ 9,065   |
| General Obligation Otto                             | Deferred Outflow      | \$ (49)  | *                           | \$ (49)   | \$ 4,835   |
| General Obligation Beach Street                     | Deferred Outflow      | \$ (66)  | *                           | \$ (66)   | \$ 3,480   |
| Rate Caps   |                       |          |                             |           |            |
| HB  | Deferred Inflow       | \$ (41)  | **                          | \$ 43     | \$ 15,080  |
| MFRB  | Deferred Inflow       | \$ 364   | **                          | \$ 588    | \$ 23,175  |

\* The fair value is classified as derivative instrument liability and a deferred outflow of resources.

\*\* The fair value is classified as derivative instrument asset and a deferred inflow of resources.

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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

The fair value of the interest rate swaps was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The fair value of the interest rate swap and rate caps were estimated by the Authority using data provided by the Authority's swap advisor.

June 30, 2023 (Dollars in Thousands)

| Associated Bond Issue        | Notional Amounts  | Effective Date | Fixed Rate Paid (3) | Variable Rate Received         | Fair Values (1)  | Termination Date | Counter-Party Credit Rating (2) |
|------------------------------|-------------------|----------------|---------------------|--------------------------------|------------------|------------------|---------------------------------|
| Active Swap Contracts:       |                   |                |                     |                                |                  |                  |                                 |
| Single Family Program Fund:  |                   |                |                     |                                |                  |                  |                                 |
| HMRB**:                      |                   |                |                     |                                |                  |                  |                                 |
| HMRB 2018 A-2                | \$ 30,000         | 8/1/2018       | 2.3940              | 70% LIBOR                      | \$ 1,663         | 2/1/2038         | Aa1 / AA- / AA-                 |
| RB***:                       |                   |                |                     |                                |                  |                  |                                 |
| RB 2019B                     | 30,000            | 3/7/2019       | 2.4310              | 100% SIFMA -> 70% LIBOR        | 2,044            | 4/1/2042         | Aa2/ A+/ AA                     |
| RB 2020C                     | 40,000            | 10/15/2020     | 1.0565              | 100% SIFMA -> 70% LIBOR        | 7,610            | 4/1/2042         | Aa1 / AA- / AA-                 |
| RB 2022D                     | 59,860            | 5/19/2022      | 2.4320              | 70% SOFR + .08%                | 3,488            | 4/1/2045         | Aa2/ A+/ AA                     |
| RB 2022F                     | 50,000            | 9/22/2022      | 0.0026              | 70% SOFR + .10%                | 2,096            | 4/1/2045         | Aa1/ AA-/ AA-                   |
| RB 2023C                     | 37,500            | 3/29/2023      | 0.0045              | 100% SOFR +0.15%               | (176)            | 10/1/2046        | Aa2/ A+ /AA                     |
| RB 2023F                     | 43,290            | 10/1/2046      | 0.0041              | 100% SOFR + .15%               | 955              | 10/1/2046        | Aa1 / AA- / AA                  |
|                              | <u>\$ 260,650</u> |                |                     |                                | <u>\$ 16,017</u> |                  |                                 |
| Active Swap Contracts:       |                   |                |                     |                                |                  |                  |                                 |
| Mortgage Loan Program Fund:  |                   |                |                     |                                |                  |                  |                                 |
| MFRB***:                     |                   |                |                     |                                |                  |                  |                                 |
| MFRB Maywood                 | \$ 24,995         | 7/1/2024       | 2.1470              | LIBOR                          | \$ 2,133         | 7/1/2064         | Aa2/ A+/ AA                     |
| MFRB Burnham Manor           | 12,725            | 1/1/2025       | 2.7755              | 70% SOFR + 0.08%               | 111              | 1/1/2065         | Aa2/ A+/ AA                     |
| MFRB Autumn Ridge            | 11,730            | 2/9/2023       | 0.0030              | 70% SOFR + 0.10%               | 258              | 7/1/2065         | Aa1/ AA-/ AA-                   |
|                              | <u>\$ 49,450</u>  |                |                     |                                | <u>\$ 2,502</u>  |                  |                                 |
| Active Swap Contracts:       |                   |                |                     |                                |                  |                  |                                 |
| General Obligation:          |                   |                |                     |                                |                  |                  |                                 |
| GO Otto Veteran              | \$ 4,835          | 3/1/2026       | 0.0033              | 100% SOFR                      | \$ (49)          | 10/1/2053        | A1/ AA+                         |
| GO Poplar Place              | 3,495             | 5/1/2026       | 0.0031              | 100% SOFR                      | 85               | 11/1/2053        | A1/ A/ A+                       |
| GO 835 Wilson                | \$ 3,365          | 6/1/2025       | 2.9630              | 100% SOFR                      | \$ 85            | 11/1/2052        | A1 / A / A+                     |
| GO Millbrook                 | 2,205             | 7/1/2025       | 2.8286              | 100% SOFR                      | 22               | 12/1/2052        | A1 / A / A+                     |
| GO Beech Street Senior Lofts | 3,480             | 6/1/2026       | 3.5200              | 100% USD-SOFR-COMPUND          | (66)             | 12/1/2053        | A1 / A+ / A+                    |
|                              | <u>\$ 17,380</u>  |                |                     |                                | <u>\$ 77</u>     |                  |                                 |
| Active Interest Rate Caps:   |                   |                |                     |                                |                  |                  |                                 |
| Mortgage Loan Program Fund:  |                   |                |                     |                                |                  |                  |                                 |
| HB****:                      |                   |                |                     |                                |                  |                  |                                 |
| Series 2008 A                | \$ 10,930         | 1/1/2018       | 6.0000              | 100% SIFMA                     | \$ 15            | 1/1/2027         | A1 / A / A+                     |
| Series 2008 C                | 4,150             | 5/9/2022       | 4.0000              | 70% USD-SOFR-COMPOUND + 0.18%  | 28               | 7/1/2027         | A1 / A / A+                     |
| MFRB****:                    |                   |                |                     |                                |                  |                  |                                 |
| Series 2022 C                | 23,175            | 5/12/2022      | 4.0000              | 100% USD-SOFR-COMPOUND + 0.11% | 588              | 7/1/2025         | Aa2/ A+/ AA                     |
|                              | <u>\$ 38,255</u>  |                |                     |                                | <u>\$ 631</u>    |                  |                                 |

\*\*Homeowner Mortgage Revenue Bonds

\*\*\* Revenue Bonds

\*\*\*\* Housing Bonds

(1) Includes accrued interest.

(2) S&P/Moody's

(3) Represents rate for swap and cap rate for interest rate caps.

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**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

To protect against the potential of rising interest rates, the Authority has entered into pay fixed, receive variable, interest rate swap agreements. The objective of these agreements is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the Authority issued fixed rate debt. In addition, the Authority has entered into interest rate caps agreement, the objective of which is to establish a maximum debt service which may be paid over the life of the underlying bonds.

The terms, fair values, and credit ratings of the outstanding agreements as of June 30, 2023, are shown in the above table. The notional amount of the swap and caps match the principal amount of the associated debt except in the case of Series 2008 A where early redemption of bonds has reduced the outstanding bond amount leaving the notional amount of the interest rate cap at its original scheduled value.

The Authority's swap and cap agreements in most cases contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or an anticipated reduction in the associated bonds payable category.

Because interest rates have increased since the execution of the swap agreements in the Single-Family Program Fund, they have positive fair values as of June 30, 2023. The positive fair value may be countered by increases in total interest payments required under the variable-rate bonds, creating higher synthetic interest rates. Because the coupons on the Authority's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

As of June 30, 2023, the Authority was not exposed to credit risk for the swaps that had negative fair value of \$291 thousands. As interest rates change and the fair value becomes positive, the Authority is exposed to credit risk in the amount of the swap's or cap's fair value. The Authority is exposed to credit risk on the caps and swaps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value on June 30, 2023, was \$21.2 million. This represents the maximum loss that would be recognized at the reporting date if all counter-parties failed to perform as contracted. Fair value is a factor only upon termination.

Basis risk on a swap occurs when the variable payment received is based on an index other than the index on the underlying bonds. The Authority believes its swap agreements have been structured to minimize or eliminate this risk.



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**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

The Authority or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the agreements. If a swap is insured, a termination event occurs if the insurer fails to meet its obligations under the agreement

The Authority is not exposed to rollover risk on its swap agreements. The Authority is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the Authority will be re-exposed to the risks being hedged by the hedging derivative instrument. The Authority is exposed to rollover risk on the caps which have termination dates that occur prior to the final maturity of the related bonds.

As of June 30, 2023, debt service requirements of the Authority's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows, in thousands:

|                          | Variable-Rate Bonds |            | Interest Rate<br>Swap, Net | Total      |
|--------------------------|---------------------|------------|----------------------------|------------|
|                          | Principal           | Interest   |                            |            |
| YEAR ENDING JUNE 30:     |                     |            |                            |            |
| 2024                     | \$ 1,205            | \$ 14,758  | \$ (5,275)                 | \$ 10,688  |
| 2025                     | 1,240               | 14,704     | (5,275)                    | 10,669     |
| 2026                     | 1,280               | 14,648     | (5,275)                    | 10,653     |
| 2027                     | 9,015               | 14,590     | (5,274)                    | 18,331     |
| 2028                     | 1,000               | 14,227     | (5,274)                    | 9,953      |
|                          | 13,740              | 72,927     | (26,373)                   | 60,294     |
| FIVE YEAR ENDED JUNE 30: |                     |            |                            |            |
| 2033                     | 19,335              | 70,094     | (26,931)                   | 62,498     |
| 2038                     | 108,135             | 57,650     | (22,580)                   | 143,205    |
| 2043                     | 126,590             | 31,126     | (14,072)                   | 143,644    |
| 2048                     | 58,440              | 7,503      | (16,460)                   | 49,483     |
| 2053                     | 5,130               | 2,089      | (3,942)                    | 3,277      |
| 2058                     | 2,600               | 1,259      | (3,149)                    | 710        |
| 2063                     | 3,070               | 696        | (181)                      | 3,585      |
| 2068                     | 1,730               | 106        | (27)                       | 1,809      |
|                          | 325,030             | 170,523    | (87,342)                   | 408,211    |
| Total                    | \$ 338,770          | \$ 243,450 | \$ (113,715)               | \$ 468,505 |

As rates vary, variable rate bond interest payments and net swap payments will vary.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 9      DEPOSITS HELD IN ESCROW**

Deposits from developers, which are held in escrow in the Administrative Fund, may be used when necessary to pay principal and interest payments and fund construction cost overruns, change orders, tax and insurance payments, and capital improvements (see Note 5). In addition, on certain developments, letters of credit and assignments of syndication proceeds are held by the Authority for similar purposes and to fund potential operating deficits of the related developments. Investment income earned on deposited funds is credited to the respective developer's escrow accounts.

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YEAR ENDED JUNE 30, 2023

**NOTE 10 LEASES**

The Authority has entered into a lease for office facilities and leases for office equipments with remaining lease terms ranging from five to ten years. If renewal is reasonably assured, leases by the Authority are considered noncancelable leases for financial reporting purposes. Periods covered by renewal and termination options are not included in the right-to-use asset or lease liability balance until they are reasonably certain of exercise.

Lease payments (dollars in thousands) through 2027 and five year increments to maturity for the Authority's administrative fund are as follows:

| Year Ending          | Principal | Interest |
|----------------------|-----------|----------|
| 2024                 | 1,243     | \$ 146   |
| 2025                 | 1,254     | 109      |
| 2026                 | 1,312     | 54       |
| 2027                 | 564       | 6        |
| 2028                 | —         | —        |
| Total lease payments | \$ 4,373  | \$ 315   |

**NOTE 11 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Authority has entered into Subscription Based Information Technology Arrangements (SBITA's) with remaining subscription terms ranging from one to five years. Periods covered by renewal and termination options are not included in the right-to-use asset or subscriptions liability balance until they are reasonably certain of exercise.

Subscriptions payments through 2028 in the Authority's administrative and governmental funds are as follows (in thousands):

| Fiscal Year Ended | Government<br>Principal | Government<br>Interest | Proprietary<br>Principal | Proprietary<br>Interest |
|-------------------|-------------------------|------------------------|--------------------------|-------------------------|
| June 30, 2024     | \$ 494                  | \$ 73                  | \$ 346                   | \$ 16                   |
| June 30, 2025     | 284                     | 51                     | 487                      | 85                      |
| June 30, 2026     | 296                     | 39                     | —                        | —                       |
| June 30, 2027     | 308                     | 27                     | 509                      | 44                      |
| June 30, 2028     | 321                     | 14                     | —                        | —                       |
| Total             | 1,703                   | 204                    | 1,342                    | 145                     |

**NOTE 12 RISK MANAGEMENT**

The bonds issued by the Authority after 1980 are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of income that may be earned with nonpurpose investments to an amount not greater than the amount that would have been earned had the

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YEAR ENDED JUNE 30, 2023

**NOTE 12 RISK MANAGEMENT (CONTINUED)**

funds been invested at the yield on the bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. It has been determined that there is an estimated rebate liability of \$1.0 million as of June 30, 2023. The rebate liability are included in Accrued Liabilities and Other in the Authority's financial statement in the Single Family Program Fund.

In connection with various federal and state grant programs, the Authority is obligated to administer related programs and spend the grant funding in accordance with regulatory restrictions and is subject to audits by the grantor agencies. In the opinion of Authority management, any grant expenditures that may be disallowed by the grantor agency, if any, would not result in a material liability to the Authority.

The Authority carries commercial insurance for directors and officer's liability, general liability, employee health, workers' compensation, cyber liability, crime, property, and automobile ownership and usage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly since the prior year.

**NOTE 13 RETIREMENT PLAN**

The Authority provides a voluntary defined contribution retirement plan for the benefit of its employees through an agreement with Vanguard Investments. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Full time employees are eligible to participate in and are fully vested in the plan from the date of employment. All plan assets and investments are administered by a trustee, which maintains an individual account for each participant. The Authority contributes 6% of its employees' salaries and employees, at their option, may contribute up to 100% (within a maximum dollar limit) of their salaries to the plan. In addition, the Authority, under the provisions of the Economic Growth and Tax Relief Act of 2001, permits additional contributions each calendar year for those employees who attain age 50 (or higher) during the calendar year. The plan may be amended or terminated by the Authority at any time and for any reason in the future, but no such action can deprive employees of their vested interests.

The Authority's total payroll for the fiscal year 2023 was \$32.9 million. The Authority's contributions were calculated using the base salary amount of \$32.6 million. The Authority contributed \$1.9 million, or 6.00% of the base salary amount, in fiscal year 2023. Employee contributions amounted to \$2.7 million, in fiscal year 2023, or approximately 8.36% of the base salary amount.

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YEAR ENDED JUNE 30, 2023

**NOTE 14      COMMITMENTS AND CONTINGENCIES**

**A. Loans**

At June 30, 2023, the Authority had authorized loans and grants totaling \$37.6 million for the Illinois Affordable Housing Trust Fund.

Under the HOME Program, \$582.0 million and \$18.6 million for federal fiscal years 1992 through 2022 and 2023, respectively, have been allocated to the State by HUD, to be administered by the Authority, under the HOME Program provisions of the 1990 National Affordable Housing Act. At June 30, 2023, the Authority had authorized loans and grants totaling \$11.4 million for the HOME Program.

In accordance with an agreement (the FAF Agreement) entered into by the Authority in 1982, annual Section 8 contributions payable to HUD with respect to the developments financed by certain of the Authority's Multi-Family Housing Bonds, would be reduced to the extent of the debt service savings resulting from the early redemption of these bonds. These redemptions were accomplished through subsequent issuance of Multi-Family Housing Bonds.

In November 2006, the Authority entered into a new agreement (the FAF Refunding Agreement) with HUD at the time of delivery of the Authority's Housing Bonds, 2006 Series G to refund the Multi-Family Housing Bond refunding bonds. Pursuant to federal legislation and a written agreement with the Authority, HUD has agreed to share a portion of such savings (the FAF Savings Program) with the Authority in order to create and maintain affordable housing opportunities for individuals of "very low income" (as such term is defined in the 1937 Housing Act) in the State. These savings, which are to be used solely for the purposes stated above, are recorded as other income of the Administrative Fund. At June 30, 2023, loans receivable under this program were approximately \$41.8 million.

Due to the ongoing COVID-19 pandemic the Authority has been appropriated further funds to assist with rental (ERA2) and mortgage (HAF) assistance grants in the approximate amount of \$150.0 million and \$241.0 million, respectively. Additionally, the Authority has been appropriated funds to provide grants and forgivable loans for development of affordable housing, permanent supportive housing, and down payment assistance (SLFRF) in the approximate amount of \$201.0 million.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**B. Issuances**

A Summary of the Authority's outstanding issuances as of June 30, 2023, is as follows (in thousands):

| Series  | Date of Commitment | Estimated Delivery Date | Amount Not to Exceed |
|---|--------------------|-------------------------|----------------------|
| Multifamily Revenue Bonds:  |                    |                         |                      |
| Southbridge 4% - As part of a 2023 non-taxable refunding issuance | 5/17/2019          | 9/15/2023               | \$ 9,000             |
| Southbridge 9% - As part of a 2022 taxable refunding issuance     | 5/17/2019          | 9/15/2023               | 7,000                |
| Barwell Manor - As part of a 2022 refunding issuance              | 10/18/2019         | 7/27/2023               | 13,500               |
| Hebron Apartments - As part of a 2023 refunding issuance          | 12/22/2020         | 7/25/2023               | 5,300                |
| Maywood SLF - As part of a 2024 refunding issuance                | 6/18/2021          | 12/1/2023               | 24,995               |
| Taft Homes 4% - As part of a 2024 non-taxable refunding issuance  | 5/21/2021          | 9/17/2024               | 6,000                |
| Armory Terrace - As part of a 2024 non-taxable refunding issuance | 11/24/2021         | 11/24/2024              | 9,000                |
| Burnham Manor - As part of a 2025 refunding issuance              | 3/18/2022          | 6/29/2024               | 12,725               |

**C. Legal**

The Authority is a defendant in various legal actions arising from normal business activities. Management believes, after consultation with legal counsel, that the ultimate liability, if any, resulting from these legal actions, will not materially affect the Authority's financial position or results of operations.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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YEAR ENDED JUNE 30, 2023

**NOTE 15      SUBSEQUENT EVENTS**

On June 30, 2023, the Authority entered into an Intergovernmental Agreement with the City of Chicago, through its Department of Housing, to administer the city's court based rental assistance program to eligible households within the City of Chicago. The City of Chicago will allocate between \$7 million and \$10 million.

On July 3, 2023, the \$10.2 million of the Authority's bank balances that were not covered by federal depository insurance, or collateral held by an agent – as described in Note 3 - were fully collateralized by additional securities provided by the banking institution.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed \$31,320,000 (6900 Crandon), proceeds of which will be used for the acquisition and rehabilitation of a 151-unit multifamily senior development located in Chicago. The project has an estimated closing date of December 19, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed \$30,000,000 (South Shore HHDC), proceeds of which will be used for the acquisition and rehabilitation of a 126-unit multifamily development located in Chicago. The project has an estimated closing date of December 19, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Notes and Bonds not to exceed \$59,000,000 (Greenwood Senior Living), proceeds of which will be used for the acquisition and rehabilitation four (4) multifamily senior developments consisting of 217-units located in Chicago. The project has an estimated closing date of December 14, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed \$510,000,000 (400 Lake Shore Drive), proceeds of which will be used for the new construction of a 635-unit multifamily development located in Chicago. The project has an estimated closing date of November 22, 2023.

On August 3, 2023, the Authority issued its revenue Bonds, 2023 Series H, I, and J, in the aggregate principal amount of \$275 million. Proceeds of the Series 2023 H, I, and J Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 H, I, and J Bonds.

On September 6, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 A & B in the aggregate principal amount of \$19,400,000 (Buena Vista Townhomes), proceeds of which will be used for the acquisition and rehabilitation of a multifamily development consisting of 120-units located in Elgin.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 15 SUBSEQUENT EVENTS (CONTINUED)**

On September 7, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 A & B in the aggregate principal amount of \$50,167,000 (Greenwood Senior Living), proceeds of which will be used for the acquisition and rehabilitation of four (4) multifamily senior developments consisting of 217-units located in Chicago.

On September 15, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed \$49,500,000 (Island Terrace), proceeds of which will be used for the acquisition and rehabilitation of a 300-unit multifamily development located in Chicago. The project has an estimated closing date of December 15, 2023.

On September 28, 2023, the Authority issued taxable Multifamily Revenue Bonds (Refunding Bonds) in an aggregate amount of \$6.60 million to refund a taxable Construction Note, the proceeds of which were used to finance the acquisition, construction and equipping of a 103-unit multifamily rental housing development located in Chicago, Illinois. The Authority placed the Refunding Bonds with Citibank, N.A. pursuant to a forward bond purchase agreement by and between the Authority and Citibank, the Bonds were issued on September 28, 2023 to refund the taxable Construction Note issued on January 17, 2020 in an amount of \$6.60 million.

On October 12, 2023, Moody's Investors Service has upgraded the issuer rating of the Illinois Housing Development Authority to Aa3 from A1. No outstanding debt is affected by this rating upgrade.

On October 20, 2023, the Authority authorized the approval of the issuance of Revenue Bonds, 2023 Series P, Q, R, and S, in the aggregate principal amount not to exceed \$300 million. Proceeds of the Series 2023 P, Q, R, and S Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 P, Q, R, and S Bonds, and (c) refund previously issued series of bonds under the Revenue Bonds Indenture. The bonds have an estimated closing date of November 30, 2023.

On October 20, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Revenue Bonds not to exceed \$24,995,000 (Maywood SLF), proceeds of which will be used to refund a previously issued conduit note and finance a permanent Risk-Share Mortgage for a 100-unit senior supportive living facility located in Maywood. The project has an estimated closing date of November 30, 2023.

On October 25, 2023, the Authority issued its Revenue Bonds, 2023 Series K, L, and M, in the aggregate principal amount of \$275 million. Proceeds of the Series 2023 K, L, and M Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 K,L, and M Bond.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

**NOTE 15 SUBSEQUENT EVENTS (CONTINUED)**

On November 9, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 in an aggregate principal amount of \$19,370,000 (Round Barn Manor), proceeds of which will be used for the acquisition and rehabilitation of a 156-unit multifamily senior development located in Champaign.

On November 15, 2023, the Authority issued Multifamily Housing Revenue Note Series 2023 in an aggregate principal amount of \$24,500,000 (South Park Plaza), proceeds of which will be used for the acquisition and rehabilitation of a 134-unit multifamily development located in Chicago.

On November 16, 2023, the Authority issued Multifamily Housing Revenue Note Series 2023 A & B in the aggregate principal amount \$41,200,000 (Huntington Towers), proceeds of which will be used for the acquisition and rehabilitation of a 214-unit multifamily senior development located in Mouth Prospect.

On November 30, 2023, the Authority issued its Revenue Bonds, 2023 Series N, O, and P, in the aggregate principal amount of \$289.53 million. Proceeds of the Series 2023 N, O, and P Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 N, O, and P Bonds, and (c) refund previously issued series of bonds under the Revenue Bonds Indenture.

At this time, the Authority is not aware of any other facts, decisions or conditions that are expected to have a significant impact on financial position or results of operations.



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

# **SUPPLEMENTARY INFORMATION**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

| Assets   | American Recovery and Reinvestment Act Fund | Neighborhood Stabilization Program Fund | Foreclosure Prevention Program Fund | Community Development Block Grant Fund | Abandoned Property Program Fund | Section 811 Project Rental Assistance Demonstration Program Fund | National Housing Trust Fund | Foreclosure Prevention Graduated Program Fund | Land Bank Capacity Program Fund | COVID-19 Coronavirus Relief Fund | Housing Stability Counseling Program Fund | Housing Counseling Resource Program Fund |
|--|---|---|-------------------------------------|--|---------------------------------|--|-----------------------------|---|---------------------------------|----------------------------------|---|--|
| <b>Current Assets:</b>                           |   |   |                                     |  |                                 |  |                             |   |                                 |                                  |   |  |
| Cash and Cash Equivalents - Restricted           | \$ 1,189                                    | \$ 17                                   | \$ 435                              | \$ —                                   | \$ 6,092                        | \$ 43  | \$ 206                      | \$ 112  | \$ 165                          | \$ 319                           | \$ 915                                    | \$ 1,308                                 |
| Program Loans Receivable                         | 273   | 3                                       | —                                   | —                                      | —                               | —  | 63                          | —   | —                               | —                                | —   | —  |
| Interest Receivable on Program Loans             | 13  | —                                       | —                                   | —                                      | —                               | —  | —                           | —   | —                               | —                                | —   | —  |
| Due from Other Funds                             | —   | —                                       | —                                   | —                                      | —                               | —  | —                           | —   | 3                               | 14                               | —   | —  |
| <b>Total Current Assets</b>                      | <b>1,475</b>                                | <b>20</b>                               | <b>435</b>                          | <b>—</b>                               | <b>6,092</b>                    | <b>43</b>  | <b>269</b>                  | <b>112</b>                                    | <b>168</b>                      | <b>333</b>                       | <b>915</b>                                | <b>1,308</b>                             |
| <b>Noncurrent Assets:</b>                        |   |   |                                     |  |                                 |  |                             |   |                                 |                                  |   |  |
| Program Loans Receivable, Net of Current Portion | 74,250                                      | 2,698                                   | —                                   | 6,234                                  | —                               | —  | 10,216                      | —   | —                               | —                                | —   | —  |
| Less Allowance for Estimated Losses              | (16,344)                                    | (73)                                    | —                                   | (1,134)                                | —                               | —  | (187)                       | —   | —                               | —                                | —   | —  |
| Net program Loans Receivable                     | 57,906                                      | 2,625                                   | —                                   | 5,100                                  | —                               | —  | 10,029                      | —   | —                               | —                                | —   | —  |
| Others   | —   | —                                       | —                                   | —                                      | —                               | —  | —                           | —   | —                               | 1                                | —   | —  |
| Total Noncurrent Assets                          | 57,906                                      | 2,625                                   | —                                   | 5,100                                  | —                               | —  | 10,029                      | —   | —                               | 1                                | —   | —  |
| <b>Total Assets</b>                              | <b>\$ 59,381</b>                            | <b>\$ 2,645</b>                         | <b>\$ 435</b>                       | <b>\$ 5,100</b>                        | <b>\$ 6,092</b>                 | <b>\$ 43</b>   | <b>\$ 10,298</b>            | <b>\$ 112</b>                                 | <b>\$ 168</b>                   | <b>\$ 334</b>                    | <b>\$ 915</b>                             | <b>\$ 1,308</b>                          |
| <b>Liabilities and Fund Balances</b>             |   |   |                                     |  |                                 |  |                             |   |                                 |                                  |   |  |
| <b>Current Liabilities:</b>                      |   |   |                                     |  |                                 |  |                             |   |                                 |                                  |   |  |
| Unearned Revenue                                 | \$ 13                                       | \$ —                                    | \$ —                                | \$ —                                   | \$ —                            | \$ —   | \$ —                        | \$ —  | \$ 168                          | \$ 334                           | \$ 915                                    | \$ 1,294                                 |
| Accrued Liabilities and Other                    | —   | —                                       | —                                   | —                                      | —                               | 6  | —                           | —   | —                               | —                                | —   | —  |
| Due to Other Funds                               | —   | 17                                      | —                                   | —                                      | —                               | 37   | 169                         | —   | —                               | —                                | —   | 14                                       |
| Total Current Liabilities                        | 13  | 17                                      | —                                   | —                                      | —                               | 43   | 169                         | —   | 168                             | 334                              | 915                                       | 1,308                                    |
| <b>Fund Balances:</b>                            |   |   |                                     |  |                                 |  |                             |   |                                 |                                  |   |  |
| Restricted                                       | 59,368                                      | 2,628                                   | 435                                 | 5,100                                  | 6,092                           | —  | 10,129                      | 112   | —                               | —                                | —   | —  |
| Total Fund Balances                              | 59,368                                      | 2,628                                   | 435                                 | 5,100                                  | 6,092                           | —  | 10,129                      | 112   | —                               | —                                | —   | —  |
| <b>Total Liabilities and Fund Balances</b>       | <b>\$ 59,381</b>                            | <b>\$ 2,645</b>                         | <b>\$ 435</b>                       | <b>\$ 5,100</b>                        | <b>\$ 6,092</b>                 | <b>\$ 43</b>   | <b>\$ 10,298</b>            | <b>\$ 112</b>                                 | <b>\$ 168</b>                   | <b>\$ 334</b>                    | <b>\$ 915</b>                             | <b>\$ 1,308</b>                          |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

| <b>Assets</b>                                    | National<br>Council of<br>State Housing<br>Agencies<br>Grant Fund | Total     |
|--|---|-----------|
| <b>Current Assets:</b>                           |   |           |
| Cash and Cash Equivalents - Restricted           | \$ 53   | \$ 10,854 |
| Program Loans Receivable                         | —   | 339       |
| Interest Receivable on Program Loans             | —   | 13        |
| Due from Other Funds                             | —   | 17        |
| Total Current Assets                             | 53  | 11,223    |
| <b>Noncurrent Assets:</b>                        |   |           |
| Program Loans Receivable, Net of Current Portion | —   | 93,398    |
| Less Allowance for Estimated Losses              | —   | (17,738)  |
| Net program Loans Receivable                     | —   | 75,660    |
| Others   | —   | 1         |
| Total Noncurrent Assets                          | —   | 75,661    |
| Total Assets                                     | \$ 53   | \$ 86,884 |
| <b>Liabilities and Fund Balances</b>             |   |           |
| <b>Current Liabilities:</b>                      |   |           |
| Unearned Revenue                                 | \$ —  | \$ 2,724  |
| Accrued Liabilities and Other                    | —   | 6         |
| Due to Other Funds                               | 53  | 290       |
| Total Current Liabilities                        | 53  | 3,020     |
| <b>Fund Balances:</b>                            |   |           |
| Restricted                                       | —   | 83,864    |
| Total Fund Balances                              | —   | 83,864    |
| Total Liabilities and Fund Balances              | \$ 53   | \$ 86,884 |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | American<br>Recovery and<br>Reinvestment<br>Act<br>Fund | Neighborhood<br>Stabilization<br>Program Fund | Foreclosure<br>Prevention<br>Program<br>Fund | Community<br>Development<br>Block Grant<br>Fund | Abandoned<br>Property<br>Program<br>Fund | Section 811<br>Project<br>Rental<br>Assistance<br>Demonstration<br>Program Fund | National<br>Housing<br>Trust Fund | Foreclosure<br>Prevention<br>Graduated<br>Program<br>Fund | Land Bank<br>Capacity<br>Fund | COVID-19<br>Coronavirus<br>Relief Fund | Housing<br>Stability<br>Counseling<br>Program<br>Fund | Housing<br>Counseling<br>Resource<br>Program<br>Fund |
|---|---|---|--|---|--|---|-----------------------------------|---|-------------------------------|--|---|--|
| <b>Revenues:</b>  |   |   |  |   |  |   |                                   |   |                               |  |   |  |
| Grant from State of Illinois  | \$ —  | \$ —  | \$ —   | \$ —  | \$ 1                                     | \$ —  | \$ —                              | \$ —  | \$ 850                        | \$ —                                   | \$ —  | \$ —   |
| Federal Funds   | —   | 178   | —  | —   | —  | 1,862   | 8,639                             | —   | —                             | —                                      | 1,903   | —  |
| Interest and Other Investment Income  | 157   | 14  | —  | —   | —  | —   | —                                 | —   | —                             | 29                                     | —   | 26   |
| Other Income  | —   | 1   | —  | —   | —  | —   | —                                 | —   | —                             | —                                      | —   | 807  |
| Total Revenues  | 157   | 193   | —  | —   | 1  | 1,862   | 8,639                             | —   | 850                           | 29                                     | 1,903   | 833  |
| <b>Expenditures:</b>  |   |   |  |   |  |   |                                   |   |                               |  |   |  |
| General and Administrative  | \$ 1  | \$ 17   | \$ —   | \$ —  | \$ 1                                     | \$ 98   | \$ 1,024                          | \$ —  | \$ 6                          | \$ —                                   | \$ 145  | \$ 61  |
| Grants  | —   | 178   | —  | —   | —  | 1,764   | 7,605                             | —   | 670                           | —                                      | 1,757   | 746  |
| Financing Costs   | —   | —   | —  | —   | —  | —   | —                                 | —   | —                             | —                                      | 1   | —  |
| Program Income Transferred to State of Illinois                             | —   | —   | —  | —   | —  | —   | —                                 | —   | —                             | 29                                     | —   | 26   |
| Provision for (Reversal of) Estimated Losses on<br>Program Loans Receivable | 67  | —   | —  | 259   | —  | —   | (1,067)                           | —   | —                             | —                                      | —   | —  |
| Total Expenditures  | 68  | 195   | —  | 259   | 1  | 1,862   | 7,562                             | —   | 676                           | 29                                     | 1,903   | 833  |
| <b>Other Financing Sources (Uses):</b>                                      |   |   |  |   |  |   |                                   |   |                               |  |   |  |
| Transfer in   | —   | —   | —  | —   | —  | —   | —                                 | —   | —                             | —                                      | —   | —  |
| Transfer out  | —   | —   | —  | —   | —  | —   | —                                 | —   | (174)                         | —                                      | —   | —  |
| Total Other Financing Sources (Uses)  | —   | —   | —  | —   | —  | —   | —                                 | —   | (174)                         | —                                      | —   | —  |
| Net Change in Fund Balances   | 89  | (2)   | —  | (259)   | —  | —   | 1,077                             | —   | —                             | —                                      | —   | —  |
| Fund Balances at Beginning of the Year                                      | 59,279  | 2,630   | 435  | 5,359   | 6,092                                    | —   | 9,052                             | 112   | —                             | —                                      | —   | —  |
| Fund Balances at End of the Year  | \$ 59,368   | \$ 2,628                                      | \$ 435                                       | \$ 5,100  | \$ 6,092                                 | \$ —  | \$ 10,129                         | \$ 112  | \$ —                          | \$ —                                   | \$ —  | \$ —   |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | National<br>Council of<br>State<br>Housing<br>Agencies<br>Grant Fund | Total     |
|---|--|-----------|
| <b>Revenues:</b>  |  |           |
| Grant from State of Illinois  | \$ —   | \$ 851    |
| Federal Funds   | —  | 12,582    |
| Interest and Other Investment Income  | —  | 226       |
| Other Income  | 120  | 928       |
| Total Revenues  | 120  | 14,587    |
| <b>Expenditures:</b>  |  |           |
| General and Administrative  | \$ 120   | \$ 1,473  |
| Grants  | —  | 12,720    |
| Financing Costs   | —  | 1         |
| Program Income Transferred to State of Illinois                             | —  | 55        |
| Provision for (Reversal of) Estimated Losses on<br>Program Loans Receivable | —  | (741)     |
| Total Expenditures  | 120  | 13,508    |
| Other Financing Sources (Uses):   |  |           |
| Transfer in   | —  | —         |
| Transfer out  | —  | (174)     |
| Total Other Financing Sources (Uses)  | —  | (174)     |
| <b>Net Change in Fund Balances</b>  | —  | 905       |
| Fund Balances at Beginning of the Year                                      | —  | 82,959    |
| <b>Fund Balances at End of the Year</b>                                     | \$ —   | \$ 83,864 |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF NET POSITION – MORTGAGE LOAN PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | Housing<br>Bonds  | Multifamily<br>Initiative<br>Bonds | Multifamily<br>Revenue<br>Bonds | Affordable<br>Housing<br>Program<br>Trust Fund<br>Bonds | Total             |
|---|-------------------|------------------------------------|---------------------------------|---|-------------------|
| <b>Assets:</b>  |                   |                                    |                                 |   |                   |
| <b>Current Assets:</b>                                    |                   |                                    |                                 |   |                   |
| Cash and Cash Equivalents - Restricted                    | \$ 246,826        | \$ 2,011                           | \$ 48,489                       | \$ 1,184  | \$ 298,510        |
| Investments - Restricted                                  | 4,665             | —                                  | 5,736                           | 21,649  | 32,050            |
| Investment Income Receivable - Restricted                 | 25                | —                                  | 98                              | 23  | 146               |
| Program Loans Receivable                                  | 2,743             | 475                                | 3,086                           | 536   | 6,840             |
| Interest Receivable on Program Loans                      | 335               | 53                                 | 1,094                           | 14  | 1,496             |
| Due from Other Funds                                      | 34,005            | 1,891                              | —                               | 9,907   | 45,803            |
| Total Current Assets                                      | <u>288,599</u>    | <u>4,430</u>                       | <u>58,503</u>                   | <u>33,313</u>   | <u>384,845</u>    |
| <b>Noncurrent Assets:</b>                                 |                   |                                    |                                 |   |                   |
| Investments - Restricted                                  | 3,235             | —                                  | 27,501                          | —   | 30,736            |
| Program Loans Receivable, Net of Current Portion          | 105,662           | 14,246                             | 300,326                         | 4,590   | 424,824           |
| Less Allowance for Estimated Losses                       | <u>(2,367)</u>    | <u>(456)</u>                       | <u>(543)</u>                    | <u>(84)</u>   | <u>(3,450)</u>    |
| Net Program Loans Receivable                              | 103,295           | 13,790                             | 299,783                         | 4,506   | 421,374           |
| Due from Fannie Mae                                       | —                 | 29,386                             | —                               | —   | 29,386            |
| Due from Freddie Mac                                      | —                 | 4,305                              | —                               | —   | 4,305             |
| Capital Assets, Net                                       | 23,488            | —                                  | —                               | —   | 23,488            |
| Others  | 232               | —                                  | —                               | —   | 232               |
| Derivative Instrument Asset                               | 43                | —                                  | 3,090                           | —   | 3,133             |
| Total Noncurrent Assets                                   | <u>130,293</u>    | <u>47,481</u>                      | <u>330,374</u>                  | <u>4,506</u>  | <u>512,654</u>    |
| Total Assets  | <u>418,892</u>    | <u>51,911</u>                      | <u>388,877</u>                  | <u>37,819</u>   | <u>897,499</u>    |
| <b>Liabilities:</b>                                       |                   |                                    |                                 |   |                   |
| <b>Current Liabilities:</b>                               |                   |                                    |                                 |   |                   |
| Bonds and Notes Payable                                   | 28,445            | 1,220                              | 3,078                           | —   | 32,743            |
| Accrued Interest Payable                                  | 534               | 455                                | 4,359                           | —   | 5,348             |
| Accrued Liabilities and Other                             | 71                | —                                  | 3,994                           | —   | 4,065             |
| Due to Other Funds  | —                 | —                                  | 1,034                           | —   | 1,034             |
| Total Current Liabilities                                 | <u>29,050</u>     | <u>1,675</u>                       | <u>12,465</u>                   | <u>—</u>  | <u>43,190</u>     |
| <b>Noncurrent Liabilities:</b>                            |                   |                                    |                                 |   |                   |
| Bonds and Notes Payable, Net of Current Portion           | 50,610            | 47,560                             | 363,018                         | —   | 461,188           |
| Total Noncurrent Liabilities                              | <u>50,610</u>     | <u>47,560</u>                      | <u>363,018</u>                  | <u>—</u>  | <u>461,188</u>    |
| Total Liabilities   | <u>79,660</u>     | <u>49,235</u>                      | <u>375,483</u>                  | <u>—</u>  | <u>504,378</u>    |
| <b>Deferred Inflows of Resources:</b>                     |                   |                                    |                                 |   |                   |
| Accumulated Increase in Fair Value of Hedging Derivatives | 43                | —                                  | 3,090                           | —   | 3,133             |
| Total Deferred Inflows of Resources                       | <u>43</u>         | <u>—</u>                           | <u>3,090</u>                    | <u>—</u>  | <u>3,133</u>      |
| <b>Net Position:</b>                                      |                   |                                    |                                 |   |                   |
| Net Investment in Capital Assets                          | 9,703             | —                                  | —                               | —   | 9,703             |
| Restricted for Bond Resolution Purposes                   | 329,486           | 2,676                              | 10,304                          | 37,819  | 380,285           |
| <b>Total Net Position</b>                                 | <u>\$ 339,189</u> | <u>\$ 2,676</u>                    | <u>\$ 10,304</u>                | <u>\$ 37,819</u>  | <u>\$ 389,988</u> |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
MORTGAGE LOAN PROGRAM FUND (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | Housing<br>Bonds  | Multifamily<br>Initiative<br>Bonds | Multifamily<br>Revenue<br>Bonds | Affordable<br>Housing<br>Program<br>Trust Fund<br>Bonds | Total             |
|---|-------------------|------------------------------------|---------------------------------|---|-------------------|
| <b>Operating Revenues:</b>  |                   |                                    |                                 |   |                   |
| Interest and Other Investment Income  | \$ 9,073          | \$ 50                              | \$ 2,189                        | \$ 582  | \$ 11,894         |
| Interest Earned on Program Loans  | 4,611             | 642                                | 11,022                          | 118   | 16,393            |
| Other Income  | 13,295            | —                                  | —                               | 1   | 13,296            |
| Total Operating Revenues  | <u>26,979</u>     | <u>692</u>                         | <u>13,211</u>                   | <u>701</u>  | <u>41,583</u>     |
| <b>Operating Expenses:</b>  |                   |                                    |                                 |   |                   |
| Interest Expense  | 2,925             | 595                                | 9,310                           | —   | 12,830            |
| Other General and Administrative  | 6,624             | —                                  | —                               | —   | 6,624             |
| Financing Costs   | —                 | 46                                 | 40                              | —   | 86                |
| Program Grants  | —                 | —                                  | —                               | 23  | 23                |
| Provision for (Reversal of) Estimated<br>Losses on Program Loans Receivable | 309               | 56                                 | (197)                           | (31)  | 137               |
| Provision for Estimated Losses<br>on Real Estate Held for Sale              | 4                 | —                                  | —                               | 9   | 13                |
| Total Operating Expenses  | <u>9,862</u>      | <u>697</u>                         | <u>9,153</u>                    | <u>1</u>  | <u>19,713</u>     |
| Operating Income (Loss)   | <u>17,117</u>     | <u>(5)</u>                         | <u>4,058</u>                    | <u>700</u>  | <u>21,870</u>     |
| <b>Nonoperating Revenues and Expenses</b>                                   |                   |                                    |                                 |   |                   |
| Loss on Investment Sale Revenues  | (5)               | —                                  | —                               | —   | (5)               |
| Net Increase (Decrease) in Fair Value of                                    | (174)             | 2                                  | (239)                           | (54)  | (465)             |
| Total Nonoperating Income   | <u>(179)</u>      | <u>2</u>                           | <u>(239)</u>                    | <u>(54)</u>   | <u>(470)</u>      |
| <b>Income Before Transfers</b>  |                   |                                    |                                 |   |                   |
|   | <u>16,938</u>     | <u>(3)</u>                         | <u>3,819</u>                    | <u>646</u>  | <u>21,400</u>     |
| Transfers In  | —                 | —                                  | 22,745                          | —   | 22,745            |
| Transfers Out   | —                 | (22,705)                           | —                               | —   | (22,705)          |
| Total Transfers   | <u>—</u>          | <u>(22,705)</u>                    | <u>22,745</u>                   | <u>—</u>  | <u>40</u>         |
| Change in Net Position  | 16,938            | (22,708)                           | 26,564                          | 646   | 21,440            |
| Net Position - Beginning Of Year  | 322,251           | 25,384                             | (16,260)                        | 37,173  | 368,548           |
| <b>Net Position - End Of Year</b>   | <u>\$ 339,189</u> | <u>\$ 2,676</u>                    | <u>\$ 10,304</u>                | <u>\$ 37,819</u>  | <u>\$ 389,988</u> |



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF CASH FLOWS – MORTGAGE LOAN PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|  | Housing<br>Bonds  | Multifamily<br>Initiative<br>Bonds | Multifamily<br>Revenue<br>Bonds | Affordable<br>Housing<br>Program<br>Trust Fund<br>Bonds | Total             |
|--|-------------------|------------------------------------|---------------------------------|---|-------------------|
| <b>Cash flows from operating activities:</b>   |                   |                                    |                                 |   |                   |
| Receipts for program loans, interest, and service fees   | \$ 10,375         | \$ 1,098                           | \$ 21,125                       | \$ 663  | \$ 33,261         |
| Payments for program loans   | (6,194)           | —                                  | (41,597)                        | (297)   | (48,088)          |
| Receipts for credit enhancements   | —                 | 776                                | —                               | —   | 776               |
| Payments for program grants  | —                 | —                                  | —                               | (23)  | (23)              |
| Payments to suppliers  | (5,503)           | (46)                               | (40)                            | —   | (5,589)           |
| Other receipts   | 13,295            | —                                  | —                               | 1   | 13,296            |
| <b>Net cash provided by (used in) operating activities</b>   | <b>11,973</b>     | <b>1,828</b>                       | <b>(20,512)</b>                 | <b>344</b>  | <b>(6,367)</b>    |
| <b>Cash flows from noncapital financing activities:</b>  |                   |                                    |                                 |   |                   |
| Interest paid on revenue bonds and notes   | (2,567)           | (607)                              | (8,217)                         | —   | (11,391)          |
| Due to / from Other Funds  | (194)             | 21,856                             | (41,039)                        | 33  | (19,344)          |
| Proceeds from sale of housing bonds and notes  | —                 | —                                  | 37,440                          | —   | 37,440            |
| Principal paid on bonds and notes  | (7,520)           | (1,240)                            | (8,305)                         | —   | (17,065)          |
| Transfers in   | —                 | —                                  | 22,745                          | —   | 22,745            |
| Transfers out  | —                 | (22,705)                           | —                               | —   | (22,705)          |
| <b>Net cash provided by (used in) noncapital financing activities</b>                                    | <b>(10,281)</b>   | <b>(2,696)</b>                     | <b>2,624</b>                    | <b>33</b>   | <b>(10,320)</b>   |
| <b>Cash flows from capital financing and related activities:</b>   |                   |                                    |                                 |   |                   |
| Acquisition of capital assets  | (1,084)           | —                                  | —                               | —   | (1,084)           |
| <b>Cash flows from investing activities:</b>   |                   |                                    |                                 |   |                   |
| Purchase of investment securities  | (627,910)         | (3,617)                            | (55,672)                        | (4,629)   | (691,828)         |
| Proceeds from sales and maturities of investment securities  | 627,807           | 5,104                              | 56,888                          | 4,209   | 694,008           |
| Interest received on investments   | 2,294             | —                                  | 1,560                           | 156   | 4,010             |
| Transfers In   | —                 | —                                  | (2,938)                         | —   | (2,938)           |
| Transfers Out  | 2,452             | —                                  | —                               | —   | 2,452             |
| <b>Net cash provided by (used) in investing activities</b>   | <b>4,643</b>      | <b>1,487</b>                       | <b>(162)</b>                    | <b>(264)</b>  | <b>5,704</b>      |
| Net increase (decrease) in cash and cash equivalents   | 5,251             | 619                                | (18,050)                        | 113   | (12,067)          |
| Cash and cash equivalents at beginning of year   | 241,575           | 1,392                              | 66,539                          | 1,071   | 310,577           |
| <b>Cash and cash equivalents at end of year</b>  | <b>\$ 246,826</b> | <b>\$ 2,011</b>                    | <b>\$ 48,489</b>                | <b>\$ 1,184</b>   | <b>\$ 298,510</b> |
| <b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>        |                   |                                    |                                 |   |                   |
| Operating Income (Loss)  | \$ 17,117         | \$ (5)                             | \$ 4,058                        | \$ 700  | \$ 21,870         |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                   |                                    |                                 |   |                   |
| Investment Income  | (9,073)           | (50)                               | (2,189)                         | (582)   | (11,894)          |
| Interest expense   | 2,925             | 595                                | 9,310                           | —   | 12,830            |
| Depreciation and amortization  | 1,182             | —                                  | —                               | —   | 1,182             |
| Changes in provision for (reversal of) estimated losses on program loans receivable                      | 309               | 56                                 | (197)                           | (31)  | 137               |
| Changes in provision for Estimated Losses on Real Estate Held for Sale                                   | —                 | —                                  | —                               | 9   | 9                 |
| Changes in assets and liabilities:   |                   |                                    |                                 |   |                   |
| Program loans receivable   | (436)             | 455                                | (32,125)                        | 253   | (31,853)          |
| Interest receivable on program loans   | 5                 | 1                                  | (90)                            | 4   | (80)              |
| Other assets   | 46                | —                                  | (2,865)                         | (9)   | (2,828)           |
| Other liabilities  | (61)              | —                                  | 251                             | —   | 190               |
| Due from Fannie Mae  | —                 | 775                                | —                               | —   | 775               |
| Due from Freddie Mac   | —                 | 1                                  | —                               | —   | 1                 |
| Changes in Deferred Outflow of Resources   | —                 | —                                  | 470                             | —   | 470               |
| Changes in Deferred Inflow of Resources  | (41)              | —                                  | 2,865                           | —   | 2,824             |
| Total adjustments  | (5,144)           | 1,833                              | (24,570)                        | (356)   | (28,237)          |
| <b>Net cash provided by (used in) operating activities</b>   | <b>\$ 11,973</b>  | <b>\$ 1,828</b>                    | <b>\$ (20,512)</b>              | <b>\$ 344</b>   | <b>\$ (6,367)</b> |
| <b>Noncash investing capital and financing activities:</b>   |                   |                                    |                                 |   |                   |
| Transfer of foreclosed assets  | \$ 4              | \$ —                               | \$ —                            | \$ 9  | \$ 13             |
| Increase (decrease) in the fair value of investments   | (174)             | 2                                  | (239)                           | (54)  | (465)             |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF NET POSITION – SINGLE FAMILY PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | Homeowner<br>Mortgage<br>Revenue<br>Bonds | Housing<br>Revenue<br>Bonds | Revenue<br>Bonds | Inter-Account<br>Eliminations | Total      |
|---|---|-----------------------------|------------------|-------------------------------|------------|
| <b>Assets</b>   |   |                             |                  |                               |            |
| <b>Current Assets:</b>                                    |   |                             |                  |                               |            |
| Cash and Cash Equivalents - Restricted                    | \$ 10,323                                 | \$ 7,693                    | \$ 118,953       | \$ —                          | \$ 136,969 |
| Investments - Restricted                                  | 116,099                                   | —                           | 160,699          | —                             | 276,798    |
| Investment Income Receivable - Restricted                 | 768                                       | 124                         | 8,198            | —                             | 9,090      |
| Program Loans Receivable                                  | 10,803                                    | —                           | 31               | —                             | 10,834     |
| Interest Receivable on Program Loans                      | 391                                       | —                           | —                | —                             | 391        |
| Due from Other Funds                                      | 23,512                                    | 593                         | —                | (24,105)                      | —          |
| Total Current Assets                                      | 161,896                                   | 8,410                       | 287,881          | (24,105)                      | 434,082    |
| <b>Noncurrent Assets:</b>                                 |   |                             |                  |                               |            |
| Investments - Restricted                                  | 63,801                                    | 39,510                      | 1,706,687        | —                             | 1,809,998  |
| Program Loans Receivable, Net of Current Portion          | 80,336                                    | —                           | 45               | —                             | 80,381     |
| Less Allowance for Estimated Losses                       | (1,361)                                   | —                           | (4)              | —                             | (1,365)    |
| Net Program Loans Receivable                              | 78,975                                    | —                           | 41               | —                             | 79,016     |
| Real Estate Held for Sale                                 | 438                                       | —                           | —                | —                             | 438        |
| Less Allowance for Estimated Losses                       | (411)                                     | —                           | —                | —                             | (411)      |
| Net Real Estate Held for Sale                             | 27  | —                           | —                | —                             | 27         |
| Derivative Instrument Assets                              | 1,663                                     | —                           | 16,193           | —                             | 17,856     |
| Other Receivables   | —   | —                           | —                | —                             | —          |
| Total Noncurrent Assets                                   | 144,466                                   | 39,510                      | 1,722,921        | —                             | 1,906,897  |
| Total Assets  | 306,362                                   | 47,920                      | 2,010,802        | (24,105)                      | 2,340,979  |
| <b>Deferred Outflow of Resources</b>                      |   |                             |                  |                               |            |
| Accumulated Decrease in Fair Value of Hedging Derivatives | —   | —                           | 176              | —                             | 176        |
| Total Deferred Outflows of Resources                      | —   | —                           | 176              | —                             | 176        |
| <b>Liabilities</b>  |   |                             |                  |                               |            |
| <b>Current Liabilities:</b>                               |   |                             |                  |                               |            |
| Bonds and Notes Payable                                   | 67,020                                    | 1,364                       | 35,990           | —                             | 104,374    |
| Accrued Interest Payable                                  | 2,147                                     | 96                          | 15,919           | —                             | 18,162     |
| Accrued Liabilities and Other                             | 62  | (1)                         | 889              | —                             | 950        |
| Due to Other Funds  | —   | 2,473                       | 49,355           | (24,105)                      | 27,723     |
| Total Current Liabilities                                 | 69,229                                    | 3,932                       | 102,153          | (24,105)                      | 151,209    |
| <b>Noncurrent Liabilities:</b>                            |   |                             |                  |                               |            |
| Bonds and Notes Payable, Net of Current Portion           | 113,161                                   | 38,880                      | 1,963,888        | —                             | 2,115,929  |
| Derivative Instrument Liability                           | —   | —                           | 176              | —                             | 176        |
| Total Noncurrent Liabilities                              | 113,161                                   | 38,880                      | 1,964,064        | —                             | 2,116,105  |
| Total Liabilities   | 182,390                                   | 42,812                      | 2,066,217        | (24,105)                      | 2,267,314  |
| <b>Deferred Inflow of Resources</b>                       |   |                             |                  |                               |            |
| Accumulated Increase in Fair Value of Hedging Derivatives | 1,663                                     | —                           | 16,193           | —                             | 17,856     |
| Unearned Revenue  | —   | —                           | 8,467            | —                             | 8,467      |
| Total Deferred Inflows of Resources                       | 1,663                                     | —                           | 24,660           | —                             | 26,323     |
| <b>Net Position</b>                                       |   |                             |                  |                               |            |
| Restricted for Bond Resolution Purposes                   | 122,309                                   | 5,108                       | —                | —                             | 127,417    |
| Unrestricted  | —   | —                           | (79,899)         | —                             | (79,899)   |
| Total Net Position  | \$ 122,309                                | \$ 5,108                    | \$ (79,899)      | \$ —                          | \$ 47,518  |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
SINGLE FAMILY PROGRAM FUND (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | Homeowner<br>Mortgage<br>Revenue<br>Bonds | Housing<br>Revenue<br>Bonds | Revenue<br>Bonds   | Total            |
|---|---|-----------------------------|--------------------|------------------|
| <b>Operating Revenues:</b>  |   |                             |                    |                  |
| Investment and Other Investment Income                                      | \$ 6,934                                  | \$ 1,886                    | \$ 55,905          | \$ 64,725        |
| Interest Earned on Program Loans  | 3,980                                     | —                           | —                  | 3,980            |
| Other Income  | —   | —                           | —                  | —                |
| Total Operating Revenues  | <u>10,914</u>                             | <u>1,886</u>                | <u>55,905</u>      | <u>68,705</u>    |
| <b>Operating Expenses:</b>  |   |                             |                    |                  |
| Interest Expense  | 6,041                                     | 1,298                       | 42,203             | 49,542           |
| Other General and Administrative  | 313                                       | —                           | —                  | 313              |
| Financing Costs   | 937                                       | 168                         | 5,668              | 6,773            |
| Program Grants  | —   | —                           | 5,146              | 5,146            |
| Provision for (Reversal of) Estimated Losses on Program Loans<br>Receivable | (855)                                     | —                           | (1)                | (856)            |
| Provision for Estimated Losses on Real Estate Held for Sale                 | 617                                       | —                           | —                  | 617              |
| Total Operating Expenses  | <u>7,053</u>                              | <u>1,466</u>                | <u>53,016</u>      | <u>61,535</u>    |
| Operating Income  | <u>3,861</u>                              | <u>420</u>                  | <u>2,889</u>       | <u>7,170</u>     |
| <b>NonOperating Revenues and Expenses</b>                                   |   |                             |                    |                  |
| Gain/Loss on Investment Sale Revenues                                       | 248                                       | 87                          | 545                | 880              |
| Net Decrease in Fair Value of Investments                                   | (3,286)                                   | (1,994)                     | (62,628)           | (67,908)         |
| Total Nonoperating Loss   | <u>(3,038)</u>                            | <u>(1,907)</u>              | <u>(62,083)</u>    | <u>(67,028)</u>  |
| <b>Income (Loss) Before Transfers</b>                                       | <u>823</u>                                | <u>(1,487)</u>              | <u>(59,194)</u>    | <u>(59,858)</u>  |
| Transfers In  | —   | —                           | 443                | 443              |
| Transfers Out   | —   | —                           | —                  | —                |
| Total Transfers   | <u>—</u>                                  | <u>—</u>                    | <u>443</u>         | <u>443</u>       |
| Change in Net Position  | 823                                       | (1,487)                     | (58,751)           | (59,415)         |
| Net Position - Beginning Of Year  | 121,486                                   | 6,595                       | (21,148)           | 106,933          |
| <b>Net Position - End Of Year</b>   | <u>\$ 122,309</u>                         | <u>\$ 5,108</u>             | <u>\$ (79,899)</u> | <u>\$ 47,518</u> |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2023  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

|   | Homeowner<br>Mortgage<br>Revenue<br>Bonds | Housing<br>Revenue<br>Bonds | Revenue<br>Bonds  | Total             |
|---|---|-----------------------------|-------------------|-------------------|
| <b>Cash Flows From Operating Activities:</b>  |   |                             |                   |                   |
| Receipts for Program Loans, Interest and Service Fees   | \$ 24,693                                 | \$ —                        | \$ 40             | \$ 24,733         |
| Payments for Loan Program Loans   | (12,197)                                  | —                           | —                 | (12,197)          |
| Payments for Program Grants   | —   | —                           | (5,146)           | (5,146)           |
| Payments to Suppliers   | (1,765)                                   | (168)                       | (5,668)           | (7,601)           |
| Other Receipts  | —   | —                           | 8,466             | 8,466             |
|   | <u>10,731</u>                             | <u>(168)</u>                | <u>(2,308)</u>    | <u>8,255</u>      |
| <b>Net Cash Provided (Used) by Operating/Nonoperating Activities</b>                                  |   |                             |                   |                   |
| <b>Cash Flows From Noncapital Financing Activities:</b>   |   |                             |                   |                   |
| Interest Paid on Revenue Bonds and Notes  | (5,799)                                   | (1,319)                     | (32,783)          | (39,901)          |
| Due To / From Other Funds   | 2,026                                     | (287)                       | 31,792            | 33,531            |
| Proceeds From Sale of Revenue Bonds and Notes   | —   | —                           | 902,459           | 902,459           |
| Principal Paid on Revenue Bonds and Notes   | (24,670)                                  | (4,363)                     | (103,771)         | (132,804)         |
| Transfers In  | —   | —                           | 443               | 443               |
|   | <u>(28,443)</u>                           | <u>(5,969)</u>              | <u>798,140</u>    | <u>763,728</u>    |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>                                    |   |                             |                   |                   |
| <b>Cash Flows From Investing Activities:</b>  |   |                             |                   |                   |
| Purchase of Investment Securities   | (306,470)                                 | (13,574)                    | (346,060)         | (666,104)         |
| Proceeds From Sales and Maturities of Investment Securities   | 323,640                                   | 19,611                      | 267,291           | 610,542           |
| Interest Received on Investments  | 3,540                                     | 1,767                       | 51,252            | 56,559            |
| Transfers In  | —   | —                           | (751,730)         | (751,730)         |
| Transfers Out   | 3,101                                     | —                           | —                 | 3,101             |
|   | <u>23,811</u>                             | <u>7,804</u>                | <u>(779,247)</u>  | <u>(747,632)</u>  |
| <b>Net Cash Provided (Used) by Investing Activities</b>   |   |                             |                   |                   |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 6,099                                     | 1,667                       | 16,585            | 24,351            |
| Cash and Cash Equivalents at Beginning of the Year  | 4,224                                     | 6,026                       | 102,368           | 112,618           |
| <b>Cash and Cash Equivalents at End of the Year</b>   | <u>\$ 10,323</u>                          | <u>\$ 7,693</u>             | <u>\$ 118,953</u> | <u>\$ 136,969</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash provided (Used) by Operating Activities:</b> |   |                             |                   |                   |
| Operating Income  | \$ 3,861                                  | \$ 420                      | \$ 2,889          | \$ 7,170          |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |   |                             |                   |                   |
| Investment Income   | (6,934)                                   | (1,886)                     | (55,905)          | (64,725)          |
| Interest Expense  | 6,041                                     | 1,298                       | 42,203            | 49,542            |
| Changes in Provision for (Reversal of) Estimated Losses on Program Loans Receivable                   | (855)                                     | —                           | (1)               | (856)             |
| Changes in Provision for for Estimated Losses on Real Estate Held for Sale                            | 617                                       | —                           | —                 | 617               |
| Changes in Assets and Liabilities:  |   |                             |                   |                   |
| Program Loans Receivable  | 8,771                                     | —                           | 40                | 8,811             |
| Interest Receivable on Program Loans  | 208                                       | —                           | —                 | 208               |
| Other Assets  | (2,020)                                   | —                           | (8,420)           | (10,440)          |
| Other Liabilities   | (515)                                     | —                           | 176               | (339)             |
| Changes in Deferred Outflow of Resources  | —   | —                           | (176)             | (176)             |
| Changes in Deferred Inflow of Resources   | 1,557                                     | —                           | 16,886            | 18,443            |
| Total Adjustments   | <u>6,870</u>                              | <u>(588)</u>                | <u>(5,197)</u>    | <u>1,085</u>      |
|   | <u>\$ 10,731</u>                          | <u>\$ (168)</u>             | <u>\$ (2,308)</u> | <u>\$ 8,255</u>   |
| <b>Net Cash Provided (Used) by Operating/Nonoperating Activities</b>                                  |   |                             |                   |                   |
| <b>Noncash Investing Capital and Financing Activities:</b>  |   |                             |                   |                   |
| Transfer of Foreclosed Assets   | \$ 1,074                                  | \$ —                        | \$ —              | \$ 1,074          |
| Decrease in Fair Value of Investments   | \$ (3,286)                                | \$ (1,994)                  | \$ (62,628)       | \$ (67,908)       |



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

# **STATISTICAL SECTION**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATISTICAL SECTION  
YEAR ENDED JUNE 30, 2023

This part of the Illinois Housing Development Authority Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Authority's overall financial health.

**Financial Trends**

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

**Revenue Capacity**

These tables contain information to help the reader assess the Authority's various revenue sources.

**Debt Capacity**

These tables present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

**Economic and Demographic Information**

These tables offer economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.

**Operating Indicators**

These tables contain data to assist the reader in understanding how the information in the Authority's financial report relates to the communities and services the Authority provides and the population it serves.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL TRENDS INFORMATION  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

|  | 2014                  | 2015                  | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   | 2022                   | 2023                   |
|--|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Governmental activities</b>                     |                       |                       |                        |                        |                        |                        |                        |                        |                        |                        |
| Net Investment in Capital Assets                   | \$ 175,334            | \$ 123,458            | \$ 50,658              | \$ 107,148             | \$ 69,032              | \$ 41,515              | \$ 21,753              | \$ —                   | \$ —                   | \$ —                   |
| Restricted for Bond Resolution Purposes            | —                     | —                     | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| Restricted for Loan and Grant Programs             | 485,895,024           | 435,344,602           | 431,808,386            | 534,647,449            | 412,077,611            | 476,703,527            | 415,059,050            | 471,241,000            | 419,908,000            | 460,155,000            |
| Unassigned   | —                     | —                     | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| <b>Total Governmental activities net position</b>  | <b>\$ 486,070,358</b> | <b>\$ 435,468,060</b> | <b>\$ 431,859,044</b>  | <b>\$ 534,754,597</b>  | <b>\$ 412,146,643</b>  | <b>\$ 476,745,042</b>  | <b>\$ 415,080,803</b>  | <b>\$ 471,241,000</b>  | <b>\$ 419,908,000</b>  | <b>\$ 460,155,000</b>  |
| <b>Business-type activities</b>                    |                       |                       |                        |                        |                        |                        |                        |                        |                        |                        |
| Net Investment in Capital Assets                   | \$ (5,323,424)        | \$ (3,772,979)        | \$ (2,265,038)         | \$ 166,222             | \$ 2,522,305           | \$ 4,754,494           | \$ 6,945,706           | \$ 7,853,000           | \$ 8,616,000           | \$ 11,544,000          |
| Restricted for Bond Resolution Purposes            | 328,747,862           | 352,081,420           | 399,697,878            | 423,610,724            | 431,445,905            | 484,872,295            | 553,477,860            | 572,656,200            | 489,128,200            | 507,702,200            |
| Restricted for Loan and Grant Programs             | 41,195,659            | 41,842,372            | 42,478,467             | 43,107,146             | 43,798,573             | 44,082,897             | 44,082,747             | 44,083,000             | 46,158,000             | 46,483,000             |
| Unrestricted                                       | 143,702,212           | 156,453,396           | 178,722,561            | 204,845,037            | 230,173,606            | 244,033,016            | 256,208,846            | 278,963,900            | 302,591,900            | 263,117,900            |
| <b>Total Business-type activities net position</b> | <b>\$ 508,322,309</b> | <b>\$ 546,604,209</b> | <b>\$ 618,633,868</b>  | <b>\$ 671,729,129</b>  | <b>\$ 707,940,389</b>  | <b>\$ 777,742,702</b>  | <b>\$ 860,715,159</b>  | <b>\$ 903,556,100</b>  | <b>\$ 846,494,100</b>  | <b>\$ 828,847,100</b>  |
| <b>Entity-wide</b>                                 |                       |                       |                        |                        |                        |                        |                        |                        |                        |                        |
| Net Investment in Capital Assets                   | \$ (5,148,090)        | \$ (3,649,521)        | \$ (2,214,380)         | \$ 273,370             | \$ 2,591,337           | \$ 4,796,009           | \$ 6,967,459           | \$ 7,853,000           | \$ 8,616,000           | \$ 11,544,000          |
| Restricted for Bond Resolution Purposes            | 328,747,862           | 352,081,420           | 399,697,878            | 423,610,724            | 431,445,905            | 484,872,295            | 553,477,860            | 572,656,200            | 489,128,200            | 507,702,200            |
| Restricted for Loan and Grant Programs             | 527,090,683           | 477,186,974           | 474,286,853            | 577,754,595            | 455,876,184            | 520,786,424            | 459,141,797            | 515,324,000            | 466,066,000            | 506,638,000            |
| Unrestricted                                       | 143,702,212           | 156,453,396           | 178,722,561            | 204,845,037            | 230,173,606            | 244,033,016            | 256,208,846            | 278,963,900            | 302,591,900            | 263,117,900            |
| <b>Total entity-wide net position</b>              | <b>\$ 994,392,667</b> | <b>\$ 982,072,269</b> | <b>\$1,050,492,912</b> | <b>\$1,206,483,726</b> | <b>\$1,120,087,032</b> | <b>\$1,254,487,744</b> | <b>\$1,275,795,962</b> | <b>\$1,374,797,100</b> | <b>\$1,266,402,100</b> | <b>\$1,289,002,100</b> |

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL TRENDS INFORMATION  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS**

|  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental activities:</b>                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Illinois Affordable Housing Trust Fund Program | \$ 12,568,375         | \$ 28,716,779         | \$ 10,632,652         | \$ 2,939,528          | \$ 7,301,940          | \$ 8,764,155          | \$ 8,119,987          | \$ 11,584,000         | \$ 9,682,000          | \$ 30,113,000         |
| HOME Program                                   | 13,580,940            | 11,367,784            | 4,287,866             | 2,182,083             | 18,266,884            | (194,128)             | 8,865,268             | 4,735,000             | 6,081,000             | 15,863,000            |
| Rental Housing Support Program                 | 18,912,367            | 515,723               | 23,673,316            | 31,295,385            | 20,553,059            | 13,123,090            | 12,466,200            | 21,427,000            | 19,425,000            | 13,194,000            |
| Hardest Hit Fund                               | 158,769,187           | 48,616,605            | 35,510,094            | 76,189,962            | 116,164,137           | 89,840,917            | 52,370,908            | —                     | —                     | —                     |
| ARRA Fund                                      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     |
| Build Illinois Bond Program                    | 21,206,222            | 102,396,242           | 13,358,746            | —                     | —                     | —                     | —                     | 8,786,000             | —                     | 36,073,000            |
| Neighborhood Stabilization Program             | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     |
| COVID-19 Coronavirus Relief Fund               | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 330,621,000           | —                     | —                     |
| COVID-19 Emergency Rental Assistance Fund      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 111,701,000           | 708,578,000           | 65,216,000            |
| COVID-19 Homeowner Assistance Fund             | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 7,051,000             | 239,451,000           |
| COVID-19 State and Local Recovery Program      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 74,857,000            |
| Other Programs                                 | 11,906,883            | 10,532,713            | 4,592,256             | 6,373,551             | 17,958,368            | 14,994,649            | 18,284,675            | 33,016,000            | 108,573,000           | 13,508,000            |
| <b>Total Governmental activities</b>           | <b>\$ 236,943,974</b> | <b>\$ 202,145,846</b> | <b>\$ 92,054,930</b>  | <b>\$ 118,980,509</b> | <b>\$ 180,244,388</b> | <b>\$ 126,528,683</b> | <b>\$ 100,107,038</b> | <b>\$ 521,870,000</b> | <b>\$ 859,390,000</b> | <b>\$ 488,275,000</b> |
| <b>Business-type Activities:</b>               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Administrative Programs                        | \$ 19,555,784         | \$ 17,776,979         | \$ 14,627,899         | \$ 15,672,823         | \$ 18,926,134         | \$ 21,352,859         | \$ 29,335,017         | \$ 90,899,000         | \$ 63,379,000         | \$ 51,553,000         |
| Multi-Family Mortgage Loan Programs            | 29,810,315            | 21,554,716            | 22,187,467            | 23,312,712            | 24,505,866            | 24,702,251            | 19,851,370            | 13,071,000            | 17,642,000            | 19,713,000            |
| Multi-Family Federal Assistance Programs       | 119,890,678           | 116,262,641           | 109,660,510           | 97,889,564            | 80,118,448            | 60,702,300            | 59,086,028            | —                     | —                     | —                     |
| Single-Family Mortgage Loan Programs           | 36,132,832            | 35,700,914            | 28,198,229            | 24,729,020            | 23,648,330            | 32,223,452            | 35,221,586            | 29,686,000            | 30,420,000            | 61,535,000            |
| Tax Credit Authorization and Monitoring        | 1,391,482             | 1,631,256             | 2,511,320             | 2,421,895             | 2,273,964             | 2,721,506             | 1,158,499             | —                     | —                     | —                     |
| FAF Lending Program                            | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     |
| IHDA Dispositions LLC*                         | 688,602               | 113,437               | 41,630                | 388,768               | 209,987               | 57,834                | —                     | —                     | —                     | —                     |
| <b>Total Business-type activities</b>          | <b>\$ 207,469,693</b> | <b>\$ 193,039,943</b> | <b>\$ 177,227,055</b> | <b>\$ 164,414,782</b> | <b>\$ 149,682,729</b> | <b>\$ 141,760,202</b> | <b>\$ 144,652,500</b> | <b>\$ 133,656,000</b> | <b>\$ 111,441,000</b> | <b>\$ 132,801,000</b> |
| <b>Total entity-wide expenses</b>              | <b>\$ 444,413,667</b> | <b>\$ 395,185,789</b> | <b>\$ 269,281,985</b> | <b>\$ 283,395,291</b> | <b>\$ 329,927,117</b> | <b>\$ 268,288,885</b> | <b>\$ 244,759,538</b> | <b>\$ 655,526,000</b> | <b>\$ 970,831,000</b> | <b>\$ 621,076,000</b> |
| <b>Program Revenues</b>                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental activities:</b>                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Illinois Affordable Housing Trust Fund Program | \$ 17,768,375         | \$ 33,916,779         | \$ 15,832,652         | \$ 8,139,528          | \$ 7,301,940          | \$ 8,764,155          | \$ 8,119,987          | \$ 11,584,000         | \$ 9,693,000          | \$ 30,113,000         |
| HOME Program                                   | 22,334,881            | 24,891,370            | 17,983,890            | 22,161,492            | 6,045,918             | 20,730,321            | 8,494,616             | 16,025,000            | 13,776,000            | 21,605,000            |
| Rental Housing Support Program                 | 18,912,367            | 515,723               | 23,673,316            | 31,295,385            | 20,553,059            | 13,123,090            | 12,466,200            | 21,427,000            | 19,418,000            | 13,194,000            |
| Hardest Hit Fund                               | 170,573,363           | 46,872,267            | 52,282,305            | 143,497,834           | 1,117,127             | 128,823,137           | 895,285               | —                     | —                     | —                     |
| ARRA Fund                                      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     |
| Build Illinois Bond Program                    | 80,541,538            | 57,918,940            | 669,030               | —                     | —                     | —                     | —                     | 70,012,000            | —                     | 69,684,000            |
| Neighborhood Stabilization Program             | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     |
| COVID-19 Coronavirus Relief Fund               | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 330,621,000           | —                     | —                     |
| COVID-19 Emergency Rental Assistance Fund      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 111,701,000           | 708,578,000           | 65,216,000            |
| COVID-19 Homeowner Assistance Fund             | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 7,051,000             | 239,451,000           |
| COVID-19 State and Local Recovery Program      | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | —                     | 74,857,000            |
| Other Programs                                 | 21,425,962            | 4,242,264             | 3,082,721             | 21,981,823            | 22,618,390            | 19,686,379            | 8,466,711             | 16,660,000            | 49,568,000            | 14,576,000            |
| <b>Total Governmental activities</b>           | <b>\$ 331,556,486</b> | <b>\$ 168,357,343</b> | <b>\$ 113,523,914</b> | <b>\$ 227,076,062</b> | <b>\$ 57,636,434</b>  | <b>\$ 191,127,082</b> | <b>\$ 38,442,799</b>  | <b>\$ 578,030,000</b> | <b>\$ 808,084,000</b> | <b>\$ 528,696,000</b> |



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL TRENDS INFORMATION  
CHANGE IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS**

|   | 2014                  | 2015                   | 2016                   | 2017                  | 2018                    | 2019                  | 2020                  | 2021                  | 2022                    | 2023                  |
|---|-----------------------|------------------------|------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| <b>Business-type activities:</b>                          |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| Administrative Programs                                   | \$ 1,984,814          | \$ 1,958,748           | \$ 3,535,603           | \$ 5,294,335          | \$ 5,708,146            | \$ 3,194,576          | \$ 4,850,765          | \$ 67,680,000         | \$ 56,802,000           | \$ 50,627,000         |
| Multi-Family Mortgage Loan Programs                       | 48,213,041            | 45,702,775             | 47,006,563             | 46,426,238            | 45,164,087              | 50,578,849            | 49,558,312            | 23,549,000            | 27,639,000              | 29,689,000            |
| Multi-Family Federal Assistance Programs                  | 119,890,678           | 116,262,641            | 109,660,510            | 97,889,564            | 80,118,448              | 60,702,300            | 59,106,028            | —                     | —                       | —                     |
| Single-Family Mortgage Loan Programs                      | 20,335,407            | 18,895,381             | 32,357,060             | 25,794,707            | 16,535,971              | 63,500,109            | 78,439,693            | 6,149,000             | 4,827,000               | 3,980,000             |
| Tax Credit Authorization and Monitoring                   | 6,233,950             | 5,239,797              | 7,069,882              | 5,405,549             | 8,476,003               | 6,799,304             | 6,381,178             | —                     | —                       | —                     |
| FAF Lending Program                                       | 864,233               | 646,713                | 636,095                | 628,679               | 691,426                 | 577,694               | 536,275               | —                     | —                       | —                     |
| IHDA Dispositions LLC*                                    | 1,110,287             | 140,816                | 55,310                 | 60,183                | 38,516                  | 21,945                | —                     | —                     | —                       | —                     |
| <b>Total Business-type activities</b>                     | <b>\$ 198,632,410</b> | <b>\$ 188,846,871</b>  | <b>\$ 200,321,023</b>  | <b>\$ 181,499,255</b> | <b>\$ 156,732,597</b>   | <b>\$ 185,374,777</b> | <b>\$ 198,872,251</b> | <b>\$ 97,378,000</b>  | <b>\$ 89,268,000</b>    | <b>\$ 84,296,000</b>  |
| <b>Total entity-wide revenues</b>                         | <b>\$ 530,188,896</b> | <b>\$ 357,204,214</b>  | <b>\$ 313,844,937</b>  | <b>\$ 408,575,317</b> | <b>\$ 214,369,031</b>   | <b>\$ 376,501,859</b> | <b>\$ 237,315,050</b> | <b>\$ 675,408,000</b> | <b>\$ 897,352,000</b>   | <b>\$ 612,992,000</b> |
| <b>Net (Expenses)/Revenue</b>                             |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| Governmental activities                                   | \$ 94,612,512         | \$ (33,788,503)        | \$ 21,468,984          | \$ 108,095,553        | \$ (122,607,954)        | \$ 64,598,399         | \$ (61,664,239)       | \$ 56,160,000         | \$ (51,306,000)         | \$ 40,421,000         |
| Business-type activities                                  | (8,837,283)           | (4,193,072)            | 23,093,968             | 17,084,473            | 7,049,868               | 43,614,575            | 54,219,751            | (36,278,000)          | (22,173,000)            | (48,505,000)          |
| <b>Total entity-wide net (expense)/revenue</b>            | <b>\$ 85,775,229</b>  | <b>\$ (37,981,575)</b> | <b>\$ 44,562,952</b>   | <b>\$ 125,180,026</b> | <b>\$ (115,558,086)</b> | <b>\$ 108,212,974</b> | <b>\$ (7,444,488)</b> | <b>\$ 19,882,000</b>  | <b>\$ (73,479,000)</b>  | <b>\$ (8,084,000)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| <b>Governmental activities:</b>                           |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| Transfers   | \$ (5,200,000)        | \$ (5,200,000)         | \$ (25,078,000)        | \$ (5,200,000)        | \$ —                    | \$ —                  | \$ —                  | \$ —                  | \$ (27,000)             | \$ (174,000)          |
| <b>Total Governmental activities</b>                      | <b>\$ (5,200,000)</b> | <b>\$ (5,200,000)</b>  | <b>\$ (25,078,000)</b> | <b>\$ (5,200,000)</b> | <b>\$ —</b>             | <b>\$ —</b>           | <b>\$ —</b>           | <b>\$ —</b>           | <b>\$ (27,000)</b>      | <b>\$ (174,000)</b>   |
| <b>Business-type activities</b>                           |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| Unrestricted Investment Income                            | \$ 31,771,381         | \$ 36,934,972          | \$ 24,072,985          | \$ 30,629,303         | \$ 29,161,392           | \$ 26,187,738         | \$ 28,752,706         | \$ 79,119,000         | \$ (39,072,000)         | \$ 30,684,000         |
| Gain on Disposition                                       | 1,076,274             | —                      | —                      | —                     | —                       | —                     | —                     | —                     | —                       | —                     |
| Capital Contributions                                     | —                     | 340,000                | (215,294)              | 181,485               | —                       | —                     | —                     | —                     | 75,000                  | —                     |
| Transfers   | 5,200,000             | 5,200,000              | 25,078,000             | 5,200,000             | —                       | —                     | —                     | —                     | 27,000                  | 174,000               |
| <b>Total Business-type activities</b>                     | <b>\$ 38,047,655</b>  | <b>\$ 42,474,972</b>   | <b>\$ 48,935,691</b>   | <b>\$ 36,010,788</b>  | <b>\$ 29,161,392</b>    | <b>\$ 26,187,738</b>  | <b>\$ 28,752,706</b>  | <b>\$ 79,119,000</b>  | <b>\$ (38,970,000)</b>  | <b>\$ 30,858,000</b>  |
| <b>Total entity-wide</b>                                  | <b>\$ 32,847,655</b>  | <b>\$ 37,274,972</b>   | <b>\$ 23,857,691</b>   | <b>\$ 30,810,788</b>  | <b>\$ 29,161,392</b>    | <b>\$ 26,187,738</b>  | <b>\$ 28,752,706</b>  | <b>\$ 79,119,000</b>  | <b>\$ (38,997,000)</b>  | <b>\$ 30,684,000</b>  |
| <b>Change in Net Position</b>                             |                       |                        |                        |                       |                         |                       |                       |                       |                         |                       |
| Governmental activities                                   | \$ 89,412,512         | \$ (38,988,503)        | \$ (3,609,016)         | \$ 102,895,553        | \$ (122,607,954)        | \$ 64,598,399         | \$ (61,664,239)       | \$ 56,160,000         | \$ (51,333,000)         | \$ 40,247,000         |
| Business-type activities                                  | 29,210,372            | 38,281,900             | 72,029,659             | 53,095,261            | 36,211,260              | 69,802,313            | 82,972,457            | 42,841,000            | (61,143,000)            | (17,647,000)          |
| <b>Total entity-wide</b>                                  | <b>\$ 118,622,884</b> | <b>\$ (706,603)</b>    | <b>\$ 68,420,643</b>   | <b>\$ 155,990,814</b> | <b>\$ (86,396,694)</b>  | <b>\$ 134,400,712</b> | <b>\$ 21,308,218</b>  | <b>\$ 99,001,000</b>  | <b>\$ (112,476,000)</b> | <b>\$ 22,600,000</b>  |

\* Previously referred to as Illinois Housing Authority LLC

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL TRENDS INFORMATION  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|  | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Funds                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 | \$ —                 |
| Restricted                                   | 485,680,980          | 435,144,826          | 431,601,517          | 534,469,129          | 411,889,835          | 476,536,646          | 414,886,387          | 471,071,000          | 419,736,000          | 460,001,000          |
| Committed                                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    |
| Assigned                                     | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    |
| Unassigned                                   | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    |
| Total Fund Balances of<br>Governmental Funds | <u>\$485,680,980</u> | <u>\$435,144,826</u> | <u>\$431,601,517</u> | <u>\$534,469,129</u> | <u>\$411,889,835</u> | <u>\$476,536,646</u> | <u>\$414,886,387</u> | <u>\$471,071,000</u> | <u>\$419,736,000</u> | <u>\$460,001,000</u> |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL TRENDS INFORMATION  
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|  | 2014                  | 2015                   | 2016                   | 2017                  | 2018                    | 2019                  | 2020                   | 2021                  | 2022                   | 2023                  |
|--|-----------------------|------------------------|------------------------|-----------------------|-------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| <b>Revenues</b>  |                       |                        |                        |                       |                         |                       |                        |                       |                        |                       |
| Grant from State of Illinois                                   | \$ 127,524,104        | \$ 93,596,775          | \$ 39,584,627          | \$ 58,940,833         | \$ 45,577,161           | \$ 35,129,032         | \$ 23,477,758          | \$ 110,798,000        | \$ 33,286,000          | \$ 107,450,000        |
| Federal Funds  | 177,137,490           | 59,426,431             | 67,748,985             | 163,308,121           | 6,504,355               | 149,122,045           | 9,406,149              | 464,823,000           | 769,988,000            | 399,083,000           |
| Interest and investment income                                 | 26,878,511            | 15,348,405             | 6,183,209              | 4,855,657             | 5,100,422               | 6,896,901             | 4,856,321              | 2,411,000             | 4,808,000              | 21,319,000            |
| Other  | —                     | —                      | —                      | —                     | 445,040                 | —                     | 696,789                | 2,000                 | —                      | 862,000               |
| <b>Total revenues</b>  | <b>\$ 331,540,105</b> | <b>\$ 168,371,611</b>  | <b>\$ 113,516,821</b>  | <b>\$ 227,104,611</b> | <b>\$ 57,626,978</b>    | <b>\$ 191,147,978</b> | <b>\$ 38,437,017</b>   | <b>\$ 578,034,000</b> | <b>\$ 808,082,000</b>  | <b>\$ 528,714,000</b> |
| <b>Expenditures</b>  |                       |                        |                        |                       |                         |                       |                        |                       |                        |                       |
| <b>Debt Service:</b>   |                       |                        |                        |                       |                         |                       |                        |                       |                        |                       |
| Principal  | \$ —                  | \$ —                   | \$ —                   | \$ —                  | \$ —                    | \$ —                  | \$ —                   | \$ —                  | \$ —                   | \$ 901,000            |
| Interest   | —                     | —                      | —                      | —                     | —                       | —                     | —                      | —                     | —                      | 31,000                |
| Grants   | 211,094,946           | 186,941,023            | 81,105,677             | 106,937,208           | 144,148,525             | 110,956,653           | 72,423,328             | 471,001,000           | 785,557,000            | 412,905,000           |
| General and administrative                                     | 24,619,322            | 27,730,873             | 7,542,114              | 13,796,506            | 16,799,873              | 16,445,993            | 17,288,339             | 45,796,000            | 59,916,000             | 56,617,000            |
| Program income transferred to State of Illinois                | 8,893                 | 13,182                 | 13,780                 | 49,506                | 222,827                 | 450,917               | 540,671                | 11,000                | 281,000                | 15,212,000            |
| Provision for estimated losses on program loans receivable     | 1,289,622             | (12,591,108)           | 3,320,559              | (1,746,221)           | 19,035,047              | (1,352,396)           | 9,343,187              | 4,899,000             | 13,627,000             | 2,430,000             |
| Financing Costs  | —                     | —                      | —                      | —                     | —                       | —                     | 491,751                | 141,000               | 9,000                  | 179,000               |
| <b>Total expenditures</b>                                      | <b>\$ 237,012,783</b> | <b>\$ 202,093,970</b>  | <b>\$ 91,982,130</b>   | <b>\$ 119,036,999</b> | <b>\$ 180,206,272</b>   | <b>\$ 126,501,167</b> | <b>\$ 100,087,276</b>  | <b>\$ 521,848,000</b> | <b>\$ 859,390,000</b>  | <b>\$ 488,275,000</b> |
| <b>Excess/(deficiency) of revenues over expenditures</b>       | <b>\$ 94,527,322</b>  | <b>\$ (33,722,359)</b> | <b>\$ 21,534,691</b>   | <b>\$ 108,067,612</b> | <b>\$ (122,579,294)</b> | <b>\$ 64,646,811</b>  | <b>\$ (61,650,259)</b> | <b>\$ 56,186,000</b>  | <b>\$ (51,308,000)</b> | <b>\$ 40,439,000</b>  |
| <b>Other Financing Sources (Uses)</b>                          |                       |                        |                        |                       |                         |                       |                        |                       |                        |                       |
| Transfers In   | \$ —                  | \$ —                   | \$ —                   | \$ —                  | \$ —                    | \$ —                  | \$ —                   | \$ —                  | \$ 7,406,000           | \$ —                  |
| Transfers Out  | (5,200,000)           | (5,200,000)            | (25,078,000)           | (5,200,000)           | —                       | —                     | —                      | —                     | (7,433,000)            | (174,000)             |
| <b>Total Other Financing Sources (Uses)</b>                    | <b>\$ (5,200,000)</b> | <b>\$ (5,200,000)</b>  | <b>\$ (25,078,000)</b> | <b>\$ (5,200,000)</b> | <b>\$ —</b>             | <b>\$ —</b>           | <b>\$ —</b>            | <b>\$ —</b>           | <b>\$ (27,000)</b>     | <b>\$ (174,000)</b>   |
| <b>Net Change in Fund Balances</b>                             | <b>\$ 89,327,322</b>  | <b>\$ (38,922,359)</b> | <b>\$ (3,543,309)</b>  | <b>\$ 102,867,612</b> | <b>\$ (122,579,294)</b> | <b>\$ 64,646,811</b>  | <b>\$ (61,650,259)</b> | <b>\$ 56,186,000</b>  | <b>\$ (51,335,000)</b> | <b>\$ 40,265,000</b>  |
| Special Item   | \$ 85,190             | \$ (66,143)            | \$ (65,707)            | \$ 27,941             | \$ (28,660)             | \$ (48,412)           | \$ (13,891)            | \$ (26,000)           | \$ 2,000               | \$ —                  |
| <b>Net Change in Net Position of Governmental Activities</b>   | <b>\$ 89,412,512</b>  | <b>\$ (38,988,502)</b> | <b>\$ (3,609,016)</b>  | <b>\$ 102,895,553</b> | <b>\$ (122,607,954)</b> | <b>\$ 64,598,399</b>  | <b>\$ (61,664,150)</b> | <b>\$ 56,160,000</b>  | <b>\$ (51,333,000)</b> | <b>\$ 40,265,000</b>  |
| <b>Debt Service as a percentage of noncapital expenditures</b> | <b>0.00 %</b>         | <b>0.00 %</b>          | <b>0.00 %</b>          | <b>0.00 %</b>         | <b>0.00 %</b>           | <b>0.00 %</b>         | <b>0.00 %</b>          | <b>0.00 %</b>         | <b>0.00 %</b>          | <b>0.00 %</b>         |

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
REVENUE CAPACITY INFORMATION  
SIGNIFICANT "OWN-SOURCE" REVENUE BASE – MORTGAGE LOANS RECEIVABLE  
LAST TEN FISCAL YEARS

|  | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   | 2022                   | 2023                   |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities:                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Illinois Affordable Housing Trust Fund Program | \$309,945,861          | \$313,406,304          | \$312,348,399          | \$301,905,192          | \$287,491,717          | \$292,351,926          | \$315,403,150          | \$323,466,000          | \$318,645,000          | \$ 336,537,000         |
| HOME Program                                   | 227,494,714            | 241,265,832            | 249,751,628            | 267,219,937            | 253,462,229            | 272,657,527            | 273,743,369            | 283,043,000            | 287,016,000            | 295,779,000            |
| Hardest Hit Fund                               | 9,349,559              | 23,746,035             | 10,683,336             | 3,775,232              | 1,967,692              | 788,007                | 768,571                | —                      | —                      | —                      |
| ARRA Fund                                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| Build Illinois Bond Program                    | —                      | 1,203,783              | 3,708,553              | —                      | —                      | —                      | —                      | 3,989,000              | —                      | 6,851,000              |
| COVID-19 Coronavirus Relief Fund               | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| COVID-19 Homeowner Assistance Fund             | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| COVID-19 Emergency Rental Assistance Fund      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| Neighborhood Stabilization Program             | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
| Other Programs                                 | 78,297,938             | 77,830,792             | 78,608,204             | 83,853,080             | 89,667,656             | 96,079,161             | 87,641,749             | 85,170,000             | 82,449,000             | 75,999,000             |
| <b>Total governmental activities</b>           | <b>\$625,088,072</b>   | <b>\$657,452,746</b>   | <b>\$655,100,120</b>   | <b>\$656,753,441</b>   | <b>\$632,589,294</b>   | <b>\$661,876,621</b>   | <b>\$677,556,839</b>   | <b>\$695,668,000</b>   | <b>\$688,110,000</b>   | <b>\$ 715,166,000</b>  |
| Business-type activities:                      |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Administrative Fund                            | 93,605,611             | 76,142,457             | 73,685,337             | 89,031,763             | 72,954,983             | 64,906,919             | 49,290,810             | 50,380,000             | 46,637,000             | 55,770,000             |
| Mortgage Loan Program Fund                     | 477,023,657            | 431,981,128            | 426,390,151            | 347,136,659            | 330,938,292            | 287,270,228            | 264,618,180            | 362,898,000            | 396,498,000            | 428,214,000            |
| Single Family Program Fund                     | 331,735,097            | 280,678,961            | 251,300,032            | 213,949,890            | 183,492,165            | 159,653,305            | 135,963,731            | 114,210,000            | 97,805,000             | 89,850,000             |
| IHDA Dispositions LLC*                         | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      | —                      |
|  | <b>\$902,364,365</b>   | <b>\$788,802,546</b>   | <b>\$751,375,520</b>   | <b>\$650,118,312</b>   | <b>\$587,385,440</b>   | <b>\$511,830,452</b>   | <b>\$449,872,721</b>   | <b>\$527,488,000</b>   | <b>\$540,940,000</b>   | <b>\$ 573,834,000</b>  |
| <b>Total entity-wide</b>                       | <b>\$1,527,452,437</b> | <b>\$1,446,255,292</b> | <b>\$1,406,475,640</b> | <b>\$1,306,871,753</b> | <b>\$1,219,974,734</b> | <b>\$1,173,707,073</b> | <b>\$1,127,429,560</b> | <b>\$1,223,156,000</b> | <b>\$1,229,050,000</b> | <b>\$1,289,000,000</b> |
| <b>Total interest income on loans</b>          | <b>\$ 47,029,997</b>   | <b>\$ 42,230,120</b>   | <b>\$ 36,942,609</b>   | <b>\$ 32,142,357</b>   | <b>\$ 30,137,414</b>   | <b>\$ 25,924,997</b>   | <b>\$ 21,580,727</b>   | <b>\$ 19,768,000</b>   | <b>\$ 20,776,000</b>   | <b>\$ 21,132,000</b>   |
| <br>   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Average rate of return for year                | 3.08 %                 | 2.92 %                 | 2.63 %                 | 2.46 %                 | 2.47 %                 | 2.21 %                 | 1.91 %                 | 1.62 %                 | 1.69 %                 | 1.64 %                 |

\* Previously referred to as Illinois Housing Authority LLC

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
REVENUE CAPACITY INFORMATION  
SIGNIFICANT “OWN-SOURCE” REVENUE RATES – INTEREST INCOME ON MORTGAGE RECEIVABLES  
LAST TEN FISCAL YEARS

|                                   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Governmental activities:          |        |        |        |        |        |        |        |        |        |        |
| Illinois Affordable Housing Trust |        |        |        |        |        |        |        |        |        |        |
| Fund Program                      | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| HOME Program                      | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Rental Housing Support            |        |        |        |        |        |        |        |        |        |        |
| Program                           | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Hardest Hit Fund                  | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| ARRA Fund                         | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Build Illinois Bond Program       | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| COVID-19 Homeowner                |        |        |        |        |        |        |        |        |        |        |
| Assistance Fund                   | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| COVID-19 Emergency Rental         |        |        |        |        |        |        |        |        |        |        |
| Assistance Fund                   | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Other Programs                    | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Business-type activities:         |        |        |        |        |        |        |        |        |        |        |
| Administrative Fund               | 2.11 % | 2.97 % | 3.02 % | 1.44 % | 2.74 % | 2.09 % | 1.52 % | 1.10 % | 1.30 % | 1.36 % |
| Mortgage Loan Program Fund        | 5.22 % | 4.96 % | 4.83 % | 5.35 % | 5.30 % | 5.43 % | 5.04 % | 3.60 % | 3.87 % | 3.83 % |
| Single Family Program Fund        | 6.08 % | 6.61 % | 5.62 % | 5.74 % | 5.78 % | 5.62 % | 5.52 % | 5.38 % | 4.94 % | 4.43 % |
| IHDA Dispositions LLC*            | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Average rate of return for year   | 3.08 % | 2.92 % | 2.63 % | 2.46 % | 2.47 % | 2.21 % | 1.91 % | 1.62 % | 1.69 % | 1.64 % |

\* Previously referred to as Illinois Housing Authority LLC

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
DEBT CAPACITY INFORMATION  
DEBT LIMITATION INFORMATION / RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

|   | Securitized Mortgage Loans and Mortgage Loans Receivable, Net, at Fiscal Year Ended June 30 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2014  | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021            | 2022            | 2023            |
| Governmental activities:  |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Bonds and Notes Payable   | \$ —  | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            |
| Total Governmental activities   | \$ —  | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            | \$ —            |
| Business-type activities:   |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Bonds and Notes Payable   | \$1,282,075,926   | \$1,083,981,566 | \$1,080,340,780 | \$1,147,673,217 | \$1,164,424,724 | \$1,386,721,017 | \$1,529,870,979 | \$1,731,239,000 | \$1,947,760,000 | \$2,735,945,000 |
| Total Business-type activities  | \$1,282,075,926   | \$1,083,981,566 | \$1,080,340,780 | \$1,147,673,217 | \$1,164,424,724 | \$1,386,721,017 | \$1,529,870,979 | \$1,731,239,000 | \$1,947,760,000 | \$2,735,945,000 |
| Total entity-wide   | \$1,282,075,926   | \$1,083,981,566 | \$1,080,340,780 | \$1,147,673,217 | \$1,164,424,724 | \$1,386,721,017 | \$1,529,870,979 | \$1,731,239,000 | \$1,947,760,000 | \$2,735,945,000 |
| Entity-wide   |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investments   | \$ 92,545,748   | \$ 104,293,828  | \$ 236,566,316  | \$ 264,042,157  | \$ 313,030,834  | \$ 283,831,811  | \$ 229,724,194  | \$ 136,068,000  | \$ 310,187,000  | \$ 218,863,000  |
| Restricted Investments  | 419,596,462   | 306,216,011     | 513,741,455     | 745,588,980     | 709,126,352     | 1,092,121,142   | 1,262,584,807   | 1,292,847,000   | 1,506,282,000   | 2,240,428,000   |
| Net Mortgage Loans Receivable   | 1,462,671,953   | 1,372,832,695   | 1,308,120,241   | 1,248,091,598   | 1,134,927,383   | 1,113,295,366   | 1,127,429,560   | 1,223,156,000   | 1,229,050,000   | 1,289,000,000   |
| Total investments, restricted investments and net mortgage loans receivable                   | \$1,974,814,163   | \$1,783,342,534 | \$2,058,428,012 | \$2,257,722,735 | \$2,157,084,569 | \$2,489,248,319 | \$2,619,738,561 | \$2,652,071,000 | \$3,045,519,000 | \$3,748,291,000 |
| Debt as a percentage of investments, restricted investments and net mortgage loans receivable | 64.92 %   | 60.78 %         | 52.48 %         | 50.83 %         | 53.98 %         | 55.71 %         | 58.40 %         | 65.28 %         | 63.95 %         | 72.99 %         |

**Note:** Details regarding the Authority's outstanding debt can be found in Note 8 to the current financial statements.

**Authority Debt Limitation**

Pursuant to the IHDA Act(20 ILCS 3805/22), the Authority has the power to have up to \$7.2 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes.

At June 30, 2023 amounts outstanding against this limitation were approximately \$4.6 billion.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
STATE OF ILLINOIS DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDARS YEARS

|  | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021*      | 2022* | 2023* |
|--|------------|------------|------------|------------|------------|------------|------------|------------|-------|-------|
| State of Illinois                        |            |            |            |            |            |            |            |            |       |       |
| Population                               | 12,885,092 | 12,859,585 | 12,821,709 | 12,779,893 | 12,724,685 | 12,671,821 | 12,812,508 | 12,582,032 | n/a   | n/a   |
| Personal income<br>(millions of dollars) | 638,640    | 666,944    | 673,691    | 693,331    | 728,366    | 748,812    | 792,136    | 850,197    | n/a   | n/a   |
| Per capita personal<br>income (dollars)  | 49,238     | 51,443     | 52,036     | 53,645     | 56,512     | 58,273     | 61,957     | 67,095     | n/a   | n/a   |
| Unemployment rate                        | 6.2 %      | 6.1 %      | 5.4 %      | 4.7 %      | 4.5 %      | 3.6 %      | 7.5 %      | 5.1 %      | n/a   | n/a   |
| Poverty rate                             | 14.4 %     | 13.6 %     | 13.0 %     | 12.6 %     | 12.1 %     | 11.5 %     | 12.0 %     | 11.9 %     | n/a   | n/a   |
| Median home value<br>(dollars)           | 175,700    | 173,800    | 174,800    | 179,700    | 187,200    | 194,500    | 202,100    | 212,600    | n/a   | n/a   |

\* Data not yet available

Sources: U.S. Census Bureau, U.S. Department of Commerce - Bureau of Economic Analysis

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
DEMOGRAPHIC AND ECONOMIC INFORMATION EMPLOYMENT BY INDUSTRY SECTORS -  
MOST RECENT YEAR AND NINE YEARS AGO

| Sector                            | Calendar Year 2022 |      |                       | Calendar Year 2013 |      |                       |
|-----------------------------------|--------------------|------|-----------------------|--------------------|------|-----------------------|
|                                   | Employees          | Rank | % of Total Employment | Employees          | Rank | % of Total Employment |
| Trade, Transportation & Utilities | 1,216,800          | 1    | 20.82 %               | 1,161,758          | 1    | 20.02 %               |
| Professional & Business Services  | 924,133            | 2    | 15.81 %               | 883,592            | 2    | 15.23 %               |
| Education & Health Services       | 905,242            | 3    | 15.49 %               | 875,158            | 3    | 15.08 %               |
| Government                        | 780,042            | 4    | 13.34 %               | 828,217            | 4    | 14.27 %               |
| Manufacturing                     | 553,825            | 5    | 9.47 %                | 579,633            | 5    | 9.99 %                |
| Leisure & Hospitality             | 502,750            | 6    | 8.60 %                | 546,392            | 6    | 9.41 %                |
| Financial Activities              | 406,842            | 7    | 6.96 %                | 378,942            | 7    | 6.53 %                |
| Other Services                    | 238,492            | 8    | 4.08 %                | 249,917            | 8    | 4.31 %                |
| Construction                      | 222,508            | 9    | 3.81 %                | 191,392            | 9    | 3.30 %                |
| Information                       | 88,417             | 10   | 1.51 %                | 98,883             | 10   | 1.70 %                |
| Mining & Logging                  | 6,575              | 11   | 0.11 %                | 9,675              | 11   | 0.17 %                |
| Totals                            | 5,845,626          |      |                       | 5,803,559          |      |                       |

Note: Figures represent State of Illinois annual averages of monthly employment for all industries outside of Farming/Agriculture.

Source: U.S. Bureau of Labor Statistics



ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
OPERATING INFORMATION  
IHDA FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

| Function                          | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| Executive                         | 6    | 3    | 5    | 8    | 7    | 5    | 8    | 9    | 10   | 9    |
| Accounting                        | 12   | 12   | 12   | 13   | 15   | 11   | 16   | 19   | 19   | 20   |
| Legal                             | 17   | 18   | 18   | 20   | 19   | 18   | 22   | 24   | 26   | 28   |
| Human Resources                   | 5    | 6    | 6    | 7    | 7    | 7    | 6    | 6    | 8    | 10   |
| Asset Management *                | 52   | 48   | 53   | 53   | 65   | 67   | 66   | 71   | 70   | 75   |
| Homeownership (Single Family) *   | 20   | 21   | 15   | 15   | 23   | 26   | 31   | 30   | 30   | 31   |
| Finance                           | 9    | 11   | 11   | 12   | 15   | 15   | 17   | 19   | 23   | 25   |
| Operational Excellence            | 5    | 6    | 6    | 8    | 7    | 7    | 7    | 6    | 6    | 8    |
| Information Technology            | 19   | 17   | 19   | 21   | 24   | 24   | 30   | 39   | 37   | 39   |
| Communications (Public Affairs)   | 5    | 4    | 6    | 5    | 5    | 5    | 5    | 6    | 7    | 5    |
| Internal Audit                    | 5    | 6    | 5    | 5    | 3    | 5    | 4    | 5    | 4    | 6    |
| Strategic Planning & Reporting    | 5    | 6    | 18   | 19   | 19   | 19   | 18   | 20   | 22   | 22   |
| Community Affairs                 | 10   | 8    | 11   | 10   | 11   | 11   | 12   | 13   | 14   | 15   |
| Hardest Hit Fund Department ***   | 28   | 21   | 32   | 35   | 44   | 23   | 19   | 0    | 0    | 0    |
| Multifamily                       | 29   | 30   | 28   | 31   | 31   | 28   | 34   | 36   | 37   | 45   |
| Loan Portfolio Management *       | 19   | 29   | 31   | 27   | 0    | 0    | 0    | 0    | 0    | 0    |
| Housing Coordination              | 8    | 6    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Strategic Response **             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 26   | 28   | 27   |
| Total entity full-time equivalent | 254  | 252  | 276  | 289  | 295  | 271  | 295  | 329  | 341  | 365  |

\* Loan Portfolio Management department was shuttered following FY2017 and functionality was moved into the Asset Management and Homeownership departments in FY2018.

\*\* Strategic Response department was created in FY2021.

\*\*\* Hardest Hit Fund program and department closed in FY2021. Some personnel moved to the new Strategic Response department.

Source: Illinois Housing Development Authority



**APPENDIX B**

**CERTAIN INFORMATION REGARDING THE SERIES 2024C LOANS  
AS OF JULY 12, 2024**

| <u>LOAN NAME</u>                 | <u>NO. OF UNITS</u> | <u>PRINCIPAL BALANCE</u> | <u>ANTICIPATED FIRST DISBURSEMENT</u> | <u>EXPECTED AMORT. START DATE</u> | <u>AMORT. TERM (YEARS)</u> | <u>EXPECTED FINAL MATURITY</u> | <u>ANTICIPATED INTEREST RATE</u> | <u>ANTICIPATED PLACED IN SERVICE DATE<sup>±</sup></u> | <u>EXPECTED DSCR</u> | <u>ANTICIPATED LOAN LOCKOUT DATE EXPIRATION</u> | <u>ANTICIPATED LIHTC COMPLIANCE EXPIRATION DATE</u> | <u>ANTICIPATED SECT. 8 EXPIRATION DATE</u> | <u>NO. OF SECTION 8 UNITS</u> | <u>ANTICIPATED EXTENDED USE EXPIRATION DATE</u> |
|----------------------------------|---------------------|--------------------------|---------------------------------------|-----------------------------------|----------------------------|--------------------------------|----------------------------------|---|----------------------|---|---|--|-------------------------------|---|
| Series 2024C Risk Share Loan     | 98                  | \$7,400,000              | 11/1/2026                             | 12/1/2026                         | 40                         | 12/1/2066                      | 5.85%                            | 4/27/2026   | 1.43                 | 12/1/2041                                       | 7/1/2039  | 7/1/2044                                   | 98                            | 7/1/2054  |
| Series 2024C Collateralized Loan | N/A                 | \$30,000,000             | 7/17/2024                             | N/A                               | N/A                        | 7/1/2068                       | 3.60% <sup>†</sup>               | 4/27/2026   | N/A                  | 8/1/2026  | N/A   | N/A  | N/A                           | N/A   |

<sup>±</sup> Under the Risk Share Loan Agreement, the Series 2024C Borrower and the Authority will agree that the Series 2024C Risk Share Loan may not be prepaid in whole or in part at the option of the Series 2024C Borrower at any time prior to fifteen (15) years from the anniversary of the Commencement of Amortization (as defined in the Risk Share Loan Agreement), which anniversary is currently expected to be December 1, 2041. However, the Authority may waive a prohibition on prepayments contained in any Loan.

<sup>†</sup> The Series 2024C Collateralized Loan will accrue interest monthly at a rate of 3.60% per annum, except that the Series 2024C-1 Amount will accrue interest at a rate of 4.80% per annum to but excluding the Conversion Date and will accrue interest at a rate of 5.85% from the Conversion Date until the maturity date (including a servicing fee), calculated on the basis of a 360-day year consisting of twelve 30-day months.

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**APPENDIX C**

**FORM OF SERIES 2024C-1 AND 2024C-2 INDENTURE  
(DRAFT AS OF JULY 10, 2024)**

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**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

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**2024 SERIES C INDENTURE**

**Dated as of July 1, 2024**

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**PROVIDING FOR THE ISSUANCE OF**

**\$30,000,000 PRINCIPAL AMOUNT  
ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS, 2024 SERIES C,  
CONSISTING OF  
\$7,400,000 MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-1 AND  
\$22,600,000 MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-2**

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**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

**\$30,000,000 PRINCIPAL AMOUNT  
ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS, 2024 SERIES C  
CONSISTING OF  
\$7,400,000 MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-1 AND  
\$22,600,000 MULTIFAMILY REVENUE BONDS,  
2024 SERIES C-2**

**2024 SERIES C INDENTURE**

This 2024 Series C Indenture (this “Series 2024C Indenture”) is dated as of July 1, 2024, and is executed and made by the ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the “Authority”), and delivered to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee (the “Trustee”) under the Trust Indenture, dated as of September 1, 2016, pertaining to the Authority’s Multifamily Revenue Bonds.

**ARTICLE I**

**AUTHORITY AND DEFINITIONS**

**Section 1.01. Series 2024C Indenture.**

(a) This Series 2024C Indenture (hereinafter referred to as the “Series 2024C Indenture”) is adopted in accordance with the Resolution of the Authority dated April 19, 2024 (the “Resolution”) and the General Indenture, as defined below, and pursuant to the authority contained in the Act. This Series 2024C Indenture constitutes a “Series Indenture” as defined in the General Indenture for the purpose of authorizing a Series of Bonds under the General Indenture.

(b) Except as otherwise provided in this Series 2024C Indenture, the provisions of the General Indenture (as such provisions exist on the date of execution and delivery of this Series 2024C Indenture) shall be deemed incorporated into this Series 2024C Indenture as if such provisions were set forth herein.

(c) The 2024 Series C Bonds issued pursuant to this Series 2024C Indenture shall be deemed and secured and defined as “Bonds” under the General Indenture and shall **not** be considered Separately-Secured Bonds as provided for under Section 12.09 of the General Indenture and the provisions of Section 12.09 of the General Indenture shall not be applicable to the 2024 Series C Bonds.

**Section 1.02. Definitions.** The definitions contained in Article I of the General Indenture are incorporated by reference herein. In addition, for the purposes of this Series 2024C Indenture, the following terms shall have the meanings set forth below:

“*Account*” means one of the special accounts created and established pursuant to this Series 2024C Indenture.

“*Authorized Denominations*” with respect to the 2024 Series C Bonds means (i) \$5,000 or any integral multiple in excess thereof with respect to the 2024 Series C-1 Bonds and (ii) \$100,000 or any integral of \$5,000 in excess thereof with respect to the 2024 Series C-2 Bonds.

“*Available Moneys*” means, as of any date of determination, any of the following, as applicable:

- (a) the proceeds of the 2024 Series C Bonds;
- (b) the proceeds of the Bridge Loan;
- (c) moneys drawn on a letter of credit;
- (d) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an opinion of counsel to the effect that the use of such amounts to make payments on the 2024 Series C Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 of the Bankruptcy Code should the Authority or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; or
- (f) investment earnings derived from the investment of moneys described in (a) through (e) above.

“*Bond Counsel*” means Kutak Rock LLP or other nationally recognized bond counsel selected by the Authority.

“*Book Entry Depository*” shall have the meaning as provided in Section 2.06 of this Series 2024C Indenture.

“*Borrower*” means Ravine Redevelopment, LLC, an Illinois limited liability company.

“*Bridge Lender*” means CIBC Bank USA, an Illinois state chartered bank.

“*Bridge Loan*” means the loan from the Bridge Lender to the Borrower in the amount of \$30,000,000 to be made pursuant to that certain Construction Loan and Security Agreement, dated as of the Closing Date between the Bridge Lender and the Borrower.

“*Cash Flow Projection*” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, or independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Authority, or the Remarketing Agent and the Rating Agency, establishing, to the satisfaction of the Authority, the Remarketing Agent and the Rating Agency, the sufficiency of (a) the amount on deposit in the applicable subaccount of the Series 2024 Account of the Program Fund and the amount on deposit in the applicable sub-subaccount of the Series 2024 Cash Collateral Subaccount and (b) projected investment income to accrue on amounts on deposit in the Series 2024 Account of the Program Fund and Series 2024 Cash Collateral Subaccount during the applicable period and (c) any additional eligible funds delivered to the Trustee by or on behalf of the Borrower to pay interest and principal on the 2024 Series C-2 Bonds and the administrative expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the 2024 Series C-2 Bonds and (ii) a proposed remarketing of the 2024 Series C-2 Bonds, as provided in Section 1.01 of Exhibit C.

“*Closing Date*” means July 17, 2024.

“*Conversion Date*” means the date of Conversion, as defined in the Series 2024 Risk Share Loan Agreement.

“*Determination*” means the Determination or, collectively, the Determinations of the Authority authorizing the issuance of the 2024 Series C Bonds.

“*Federal Insurance*” means insurance of certain of the Series 2024 Loans by HUD under Section 542(c) of the Housing and Community Development Act of 1992, as amended and the regulations promulgated thereunder, or under any section of the National Housing Act, as amended, that provides for payment of insurance claims in cash at least equal to the amounts permitted under the above referred to section of the Housing and Community Development Act.

“*FHA*” means the Federal Housing Administration or any successor thereto.

“*Financed Development*” means each housing development financed in whole or in part with a Loan made with the proceeds of the 2024 Series C Bonds as set forth in Exhibit B hereto; each such “*Financed Development*” also constitutes a “Project” for purposes of this Series 2024C Indenture and the Series 2024 Loan Documents.

“*General Indenture*” means the Trust Indenture dated as of September 1, 2016 between the Authority and the Trustee.

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

“*HUD Regulations*” means the regulations promulgated by HUD regarding FHA Insurance which shall include temporary regulations until final regulations are promulgated, and, upon promulgation thereof, final regulations.

“*IHDA Regulatory Agreement*” means the IHDA Regulatory Agreement entered into between the Borrower and the Authority setting forth certain restrictions on the occupancy and operation of the Development, as required by the Act.

“*Initial Mandatory Tender Date*” means, with respect to the 2024 Series C-2 Bonds, August 1, 2028.

“*Initial Remarketing Date*” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the 2024 Series C-2 Bonds on such date as provided in Exhibit C hereof are satisfied.

“*Interest Payment Date*” means each January 1 and July 1, commencing January 1, 2025, and any Redemption Date, and the Maturity Date and, with respect to the 2024 Series C-2 Bonds, the Mandatory Tender Date.

“*Loan*” or “*Series 2024 Loan*” means the Series 2024 Risk Share Loan and the Series 2024 Collateralized Loan, and includes any instrument evidencing an ownership interest in or security for such Loan and any related documents with respect to the related Financed Development.

“*Local Time*” means the Central Time zone in effect at the time.

“*Mandatory Tender Date*” means, with respect to the 2024 Series C-2 Bonds, the latest of (a) the Initial Mandatory Tender Date and (b) if the 2024 Series C-2 Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the provisions of Exhibit C hereto for a Remarketing Period that does not extend to the final maturity of the 2024 Series C-2 Bonds, the day after the last day of the Remarketing Period.

“*Maturity Date*” means the respective maturity date of the 2024 Series C Bonds set forth in Section 2.03; provided, however, that the Maturity Date of the 2024 Series C-2 Bonds may be extended, on or after the Initial Mandatory Tender Date, to a date for which there has been delivered an opinion of Bond Counsel to the effect that the establishment of such Maturity Date will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2024 Series C Bonds.

“*Moody’s*” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Authority, as assigns credit ratings.

“*Mortgage*” means the first lien mortgage or deed of trust executed to secure payment obligation under the Series 2024 Risk Share Loan.

“*Project-Based Voucher*” means the voucher provided to tenants in a Financed Development for subsidization of rent.

“*Qualified Project Period*” means a period beginning on the first day on which 10% of the residential units in a Financed Development are occupied and ending on the latest of (a) the date which is 15 years after the date on which 50% of the residential units in such Development are

occupied, (b) the first day on which no tax-exempt private activity bond issued with respect to such Financed Development is outstanding, or (c) the date on which any assistance provided with respect to such Financed Development under the Project-Based Vouchers terminates.

“*Rating Agency*” shall mean Moody’s Investors Service or any nationally recognized statistical rating Authority then maintaining a rating on the 2024 Series C Bonds at the request of the Authority.

“*Record Date*,” with respect to the 2024 Series C Bonds means the 15<sup>th</sup> day of the calendar month next immediately preceding each Interest Payment Date.

“*Redemption Date*” means any date upon which the 2024 Series C Bonds are to be redeemed pursuant to this Series 2024C Indenture.

“*Remarketing Agent*” means any Remarketing Agent designated in accordance with Section 1.05 of Exhibit C hereto.

“*Remarketing Agent’s Fee*” means the fee of the Remarketing Agent for its remarketing services.

“*Remarketing Agreement*” means any Remarketing Agreement between the Authority and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“*Remarketing Date*” means the Initial Remarketing Date and, if the 2024 Series C-2 Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Exhibit C hereto for a Remarketing Period that does not extend to the final maturity of the 2024 Series C-2 Bonds, the day after the last day of the Remarketing Period.

“*Remarketing Expenses*” means the costs and expenses incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Authority and its counsel, and Bond Counsel in connection with the remarketing of the 2024 Series C-2 Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of 2024 Series C-2 Bonds as certified to the Trustee by the Remarketing Agent in writing.

“*Remarketing Notice Parties*” means the Borrower, the Authority, the Trustee, the Remarketing Agent and the Bridge Lender.

“*Remarketing Period*” means the period beginning on a Remarketing Date and ending on the last day of the term for which 2024 Series C-2 Bonds are remarketed pursuant to Exhibit C hereto or the final Maturity Date of the 2024 Series C-2 Bonds, as applicable.

“*Remarketing Rate*” means the interest rate or rates established pursuant hereto and borne by the 2024 Series C-2 Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the 2024 Series C-2 Bonds, as applicable.

“*Reserve Requirement*” means an amount equal to \$248,339.00 with respect to the 2024 Series C Bonds.

“*Risk Sharing Act*” means Section 542(c) of the Housing and Community Development Act of 1992, as amended, and the regulations promulgated thereunder.

“*Securities Depository*” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, and any replacement securities depository appointed under this Series 2024C Indenture.

“*Series 2024 Cash Collateral Subaccount*” means the Account created under this Series 2024C Indenture as a part of the Revenue Fund which secures a portion of the 2024 Series C Bonds.

“*Series 2024C Closing Memorandum*” means the closing memorandum delivered on the Closing Date.

“*Series 2024C Indenture*” means this Series 2024C Indenture.

“*Series 2024 Collateralized Loan*” means the Loan made by the Authority to the Borrower pursuant to the Series 2024 Collateralized Loan Agreement.

“*Series 2024 Collateralized Loan Agreement*” means that certain Loan Agreement dated as of July 1, 2024, entered into between the Authority and the Borrower pursuant to which the Authority has made the Series 2024 Collateralized Loan.

“*Series 2024 Cost of Issuance Subaccount*” means the segregated Account designated the Series 2024 Cost of Issuance Subaccount into which amounts relating to the 2024 Series C Bonds are deposited, which subaccount is established in Section 4.01 of this Series 2024C Indenture.

“*Series 2024C Risk Share Loan Note*” has the meaning set forth in the Series 2024 Risk Share Loan Agreement.

“*Series 2024C Risk Share Loan Note Endorsement*” means the endorsement of the Series 2024C Risk Share Loan Note.

“*Series 2024 Loan Documents*” means all of the documents evidencing the Loans made by the Authority to the Borrower which secure the Bonds.

“*Series 2024 Remarketing Proceeds Sub-subaccount*” means the Series 2024 Remarketing Proceeds Sub-subaccount of the Redemption Fund created in Section 4.01 hereof.

“*Series 2024 Risk Share Loan*” means the Loan made by the Authority to the Borrower under the provisions of the HUD Risk Sharing Act and pursuant to the Series 2024 Risk Share Loan Agreement.

“*Series 2024 Risk Share Loan Agreement*” means that certain Loan Agreement (Tax-Exempt Bond-Backed Risk Share Loan) dated as of July 1, 2024, entered into between the

Authority and the Borrower pursuant to which the Authority made the Series 2024 Risk Share Loan.

“*Tax Certificate*” means the Arbitrage and Tax Certificate of the Authority delivered in connection with the issuance of the 2024 Series C Bonds.

“*Tax Regulatory Agreement*” means the Use Restriction Agreement, dated as of July 1, 2024 entered into by and among the Authority, the Borrower and the Trustee.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., the commercial bank, trust company or national banking association appointed pursuant to act as trustee hereunder, and its successor or successors and any other commercial bank, trust company or national banking association at any time substituted in its place pursuant to the General Indenture.

“*2024 Series C Bonds*” means the Illinois Housing Development Authority Multifamily Revenue Bonds, 2024 Series C, including the 2024 Series C-2 Bonds and 2024 Series C-1 Bonds authorized by this Series 2024C Indenture.

“*2024 Series C-1 Amount*” has the meaning set forth in the Series 2024 Collateralized Loan Agreement.

“*2024 Series C-1 Bonds*” means the 2024 Series C Bonds designated as 2024 Series C-1 Bonds pursuant to Section 2.03 hereof.

“*2024 Series C-1 Bonds Cash Collateral Sub-subaccount*” means the sub-subaccount by that name established in accordance with Section 4.01 hereof.

“*2024 Series C-1 Bonds Collateralized Loan Sub-subaccount*” means the sub-subaccount by that name established in accordance with Section 4.01 hereof.

“*2024 Series C-1 Term Bonds*” means the 2024 Series C-1 Bonds issued as Term Bonds pursuant to Section 2.03 hereof subject to mandatory sinking fund redemption and maturing on July 1, 2029, July 1, 2030, July 1, 2031, July 1, 2032, July 1, 2033, July 1, 2034, July 1, 2035, July 1, 2036, July 1, 2039, July 1, 2044, July 1, 2049, July 1, 2054, July 1, 2059 and July 1, 2068.

“*2024 Series C-2 Bonds*” means the 2024 Series C Bonds designated as 2024 Series C-2 Bonds pursuant to Section 2.03 hereof.

“*2024 Series C-2 Bonds Cash Collateral Sub-subaccount*” means the sub-subaccount by that name established in accordance with Section 4.01 hereof.

“*2024 Series C-2 Bonds Collateralized Loan Sub-subaccount*” means the sub-subaccount by that name established in accordance with Section 4.01 hereof.

“*Underwriters*” means Siebert Williams Shank & Co., LLC, as representative of itself and the other underwriters of the 2024 Series C Bonds.



## ARTICLE II

### AUTHORIZATION OF 2024 SERIES C BONDS

**Section 2.01. Principal Amount, Designation and Form.** Pursuant to the provisions of the General Indenture and, specifically, Section 2.09 thereof, the 2024 Series C Bonds are hereby authorized in the aggregate principal amount of \$30,000,000, consisting of Multifamily Revenue Bonds, 2024 Series C-1 in the aggregate principal amount of \$7,400,000 and 2024 Series C-2 Bonds in the aggregate principal amount of \$22,600,000. Such 2024 Series C Bonds shall be issued in one Series of Bonds, designated “Multifamily Revenue Bonds, 2024 Series C” (the “2024 Series C Bonds”), consisting of two subseries designated “Multifamily Revenue Bonds, 2024 Series C-2” and “Multifamily Revenue Bonds, 2024 Series C-1.” The 2024 Series C Bonds will be issued only as fully registered bonds.

#### **Section 2.02. Purposes.**

(a) The 2024 Series C Bonds are being issued as special, limited obligations of the Authority, with a claim for payment solely from the Trust Estate pledged under the General Indenture and as further described in this Series 2024C Indenture.

(b) The State shall not be liable on the 2024 Series C Bonds, and the 2024 Series C Bonds shall not be a debt of the State. Section 26.1 of the Act shall not apply to the 2024 Series C Bonds. The 2024 Series C Bonds are not Subordinate Bonds.

(c) The 2024 Series C Bonds are being issued to fund the Loans to the Borrower to enable the Borrower to fund the acquisition, rehabilitation, renovation and equipping of the Financed Developments.

#### **Section 2.03. Dates, Maturities and Interest Rates of 2024 Series C Bonds.**

(a) The 2024 Series C-1 Bonds shall be dated the date of their delivery and shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as follows:

## 2024 Series C 2024 Series C-1 Bonds

### 2024 Series C-1 Term Bonds

| <b>Maturity Date</b> | <b>Principal Amount</b> | <b>Interest Rate</b> |
|----------------------|-------------------------|----------------------|
| July 1, 2029         | \$ 60,000               | 3.50%                |
| July 1, 2030         | 65,000                  | 3.60                 |
| July 1, 2031         | 70,000                  | 3.70                 |
| July 1, 2032         | 75,000                  | 3.80                 |
| July 1, 2033         | 80,000                  | 3.85                 |
| July 1, 2034         | 80,000                  | 3.90                 |
| July 1, 2035         | 80,000                  | 3.95                 |
| July 1, 2036         | 90,000                  | 4.00                 |
| July 1, 2039         | 290,000                 | 4.15                 |
| July 1, 2044         | 575,000                 | 4.50                 |
| July 1, 2049         | 725,000                 | 4.65                 |
| July 1, 2054         | 900,000                 | 4.75                 |
| July 1, 2059         | 1,145,000               | 4.85                 |
| July 1, 2068         | 3,165,000               | 4.90                 |

(b) The 2024 Series C-2 Bonds shall be term bonds dated as of the date of their delivery, shall bear interest, payable on each Interest Payment Date, from the date of issuance to but not including the Initial Mandatory Tender Date at a rate per annum equal to the Initial Interest Rate set forth below and thereafter shall bear interest at the Remarketing Rate for each subsequent Remarketing Period, and shall mature (subject to prior redemption or retirement as set forth herein) on the Maturity Date. The payment of interest on an Interest Payment Date shall be in an amount equal to the interest accrued during the Interest Period ending on the day preceding such Interest Payment Date.

### 2024 Series C 2024 Series C-2 Bonds

| <b>Maturity Date</b> | <b>Principal Amount</b> | <b>Initial Interest Rate</b> |
|----------------------|-------------------------|------------------------------|
| August 1, 2032       | \$22,600,000            | 3.60%                        |

**Section 2.04. Interest Payments and Payments of Principal and Redemption Price.** The 2024 Series C Bonds shall bear interest from the date of issuance and authentication thereof, payable on each Interest Payment Date. Interest on the 2024 Series C Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

**Section 2.05. Denominations, Numbers and Letters.** The 2024 Series C Bonds of each Series shall be issued in Authorized Denominations, not exceeding the aggregate principal amount of the 2024 Series C Bonds of such Series maturing on the particular Maturity Date of each maturity of the 2024 Series C Bonds of such Series. The 2024 Series C Bonds shall be numbered from RC-1-1 or RC-2-1, as the case may be, upward.

At the direction of the Authority, “CUSIP” identification numbers will be imprinted on the 2024 Series C Bonds for each maturity thereof, but such numbers shall not constitute a part of the contract evidenced by the 2024 Series C Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2024 Series C Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to Bondowners of the 2024 Series C Bonds shall not constitute an event of default or any similar violation of the Authority’s contract with such Bondowners.

#### **Section 2.06. Book Entry Provisions.**

(a) The Authority designates The Depository Trust Company to act as Book Entry Depository in connection with the 2024 Series C Bonds.

(b) A Representation Letter in the form as provided by The Depository Trust Company (the “Representation Letter”) shall be executed and delivered on behalf of the Authority by its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or Chief Financial Officer-Assistant Treasurer, or any one or more of them, with such changes as shall be approved by the officer or officers executing the Representation Letter on behalf of the Authority.

(c) The 2024 Series C Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities of such 2024 Series C Bonds established in this Series 2024C Indenture. Upon initial issuance, the ownership of each such 2024 Series C Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company. Except as provided in subsection (d) of this Section, all of the Outstanding 2024 Series C Bonds shall continue to be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company.

(d) The Authority may determine in its sole discretion that (i) The Depository Trust Company is unwilling or unable to discharge its responsibilities as Book Entry Depository under this Series 2024C Indenture and the Representation Letter, or (ii) it is in the best interest of the Authority that the beneficial owners of the 2024 Series C Bonds be able to obtain certificated 2024 Series C Bonds. If the Authority determines as provided in clause (i) of the first sentence of this subsection (d), the Authority and the Trustee may enter into a supplement to this Series 2024C Indenture designating a person to act as successor Book Entry Depository and authorizing the execution of a new representation letter. If a successor securities depository is appointed, that successor or its nominee will be treated by the Trustee and the Authority as the sole and exclusive owner of the 2024 Series C Bonds, and as in the case of The Depository Trust Company, the responsibilities and obligations of the Trustee and the Authority shall be solely to that successor securities depository or its nominee and not to any participant in the successor or any person claiming a beneficial ownership interest in any 2024 Series C Bond except as otherwise provided in this Series 2024C Indenture. If the Authority determines as provided in clause (i) or (ii) of the first sentence of this subsection (d), the Authority and the Trustee may enter into a supplement to this Series 2024C Indenture providing for the execution by the Authority, authentication by the Trustee and delivery to the beneficial

owners of the 2024 Series C Bonds of certificates for their 2024 Series C Bonds. The Authority shall provide notice of any determination made by the Authority under this subsection (d) to the Book Entry Depository as provided in the Representation Letter. Prior to any transfer of the 2024 Series C Bonds outside the Book-Entry System (including, but not limited to, the initial transfer outside the Book-Entry System) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(e) In accordance with this Series 2024C Indenture, as long as any 2024 Series C Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, all payments of Principal or Redemption Price of or interest on the 2024 Series C Bond so registered shall be made to Cede & Co., as nominee of The Depository Trust Company, or to any successor nominee designated by The Depository Trust Company to the Authority and the Trustee.

With respect to 2024 Series C Bonds registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company, the Authority and the Trustee shall have no responsibility or obligation to any person owning a beneficial interest in any of the 2024 Series C Bonds or any nominee of such person except as provided in this Series 2024C Indenture. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company or Cede & Co., or any brokers, dealers, banks and other financial institutions which are members of The Depository Trust Company with respect to any ownership interest in the 2024 Series C Bonds, (ii) the delivery to any person, other than a Bondowner as shown in the registration books kept by the Trustee, of any notice with respect to the 2024 Series C Bonds, including any notice of redemption, or (iii) the payment to any person, other than a Bondowner as shown in the registration books kept by the Trustee, of any amount with respect to Principal or Redemption Price of or interest on the 2024 Series C Bonds. The Authority and the Trustee may treat and consider the person in whose name each 2024 Series C Bond is registered in the registration books kept by the Trustee as the Bondowner and absolute owner of such 2024 Series C Bond of or interest with respect to such 2024 Series C Bond, for the purpose of registering transfers with respect to such 2024 Series C Bond, and for all other purposes whatsoever, and the Authority and the Trustee shall not be affected by notice to the contrary. The Trustee shall pay all Principal or Redemption Price of and interest on the 2024 Series C Bonds only to the respective Bondowners, as shown in the registration books kept by the Trustee, and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligations with respect to payment of the Principal or Redemption Price of or interest on the 2024 Series C Bonds to the extent of the sum or sums so paid. No person other than a Bondowner, as shown in the registration books kept by the Trustee, shall be issued a certificate evidencing the obligation of the Authority to make payments of Principal or Redemption Price of or interest on the 2024 Series C Bonds.

**Section 2.07. Condition of Issuance.** The Authority shall execute and deliver to the Trustee, and the Trustee shall authenticate, the 2024 Series C Bonds and deliver them to or for the

account of the Underwriters or to such persons as the Underwriters specify, in each case in the records of DTC, provided, however, that prior to delivery of the 2024 Series C Bonds to the Underwriters each of the following must be delivered to the Trustee:

- (a) this Series 2024C Indenture;
- (b) executed original counterparts of agreements, documents and instruments to be executed and delivered on the closing date by the parties to those agreements, documents and instruments;
- (c) a Bond Counsel Opinion;
- (d) a written request and authorization by an Authorized Representative of the Authority to the Trustee to authenticate and deliver the 2024 Series C Bonds to or for the account of the Underwriters; and
- (e) receipt from the Underwriters (or the representative thereof) of the 2024 Series C Bonds.

**Section 2.08. Execution and Authentication of 2024 Series C Bonds.** The Chairman, Vice Chairman or Treasurer is authorized to execute by manual or facsimile signature the 2024 Series C Bonds and to cause the corporate seal (or a facsimile of the corporate seal) of the Authority to be affixed, imprinted, engraved or otherwise reproduced on the 2024 Series C Bonds, and the Executive Director or the Deputy Executive Director or any person designated by the Members of the Authority is authorized and directed to attest manually the execution of the 2024 Series C Bonds and to cause the 2024 Series C Bonds to be authenticated by the manual signature of the Trustee or its authorized agent, all in accordance with the provisions of Section 3.03 of the Indenture. No 2024 Series C Bond shall be valid or obligatory until it has been authenticated by the manual signature of the Trustee or its authorized agent.

**Section 2.09. Places of Payment and Paying Agent.** Subject to Section 2.06, the principal and redemption price of, and interest on, 2024 Series C Bonds shall be as provided in the form of the 2024 Series C Bonds as attached to this Series 2024C Indenture. Subject to Section 2.06, the 2024 Series C Bonds shall be transferable at the corporate trust office of the Trustee.

**Section 2.10. Form of 2024 Series C Bonds.** The 2024 Series C Bonds of each subseries of Bonds shall be in substantially the respective form set forth in Exhibit A to this Series 2024C Indenture.

**Section 2.11. Delivery of 2024 Series C Bonds.** Subject to the provisions of Section 2.06 and Section 2.08, the Chairman, the Vice-Chairman, the Executive Director and the Deputy Executive Director, or any of them, are authorized and directed to cause to be delivered fully executed and registered 2024 Series C Bonds to The Depository Trust Company upon payment of the purchase price of those 2024 Series C Bonds that are to be placed in book-entry form with The Depository Trust Company. The Chairman, the Vice Chairman, the Executive Director, the Deputy Executive Director, the Secretary and the Treasurer, or any, of them, are authorized to take all action necessary or appropriate to carry out the issuance, sale and delivery of the 2024 Series C

Bonds as provided in the Indenture and this Series 2024C Indenture, including, without limitation, to make such representations and certifications as they deem proper to the Trustee and the Master Paying Agent.

**Section 2.12. Special Authority Covenants.** The Authority covenants and agrees with the Bondowners from time to time of the 2024 Series C Bonds as follows:

(a) The Authority will use all reasonable efforts to require that the Financed Developments be used, during the period that they are so financed, to provide dwelling accommodations for low and moderate income persons and families at low and moderate rentals, in accordance with the Act.

(b) The Authority will take no action in the investment of the proceeds of the 2024 Series C Bonds or any other funds which would result in making interest on the 2024 Series C Bonds includable in gross income for federal income tax purposes by reason of causing the 2024 Series C Bonds to be “arbitrage bonds” within the meaning of federal tax law and any applicable regulations. The Executive Director, the Deputy Executive Director, the Assistant Treasurer and the Chief Financial Officer of the Authority, or any one or more of them, are authorized and directed to make any representations or certifications that they deem proper to establish that the 2024 Series C Bonds do not constitute such arbitrage bonds. The covenants and agreements of the Authority set forth in this subsection (b) shall apply as long as any of the 2024 Series C Bonds continue to bear interest (whether or not they are Outstanding) and shall also apply after the 2024 Series C Bonds cease to bear interest but within such subsequent period as shall be required for the Authority to comply with the covenants of this subsection (c). The Executive Director, the Deputy Executive Director, the Assistant Treasurer and the Chief Financial Officer, or any one or more of them, may execute an agreement in the name of and on behalf of the Authority to ensure compliance with the requirements of this subsection (c).

(c) The Authority will, without limitation: (i) restrict the yield on investments of amounts received upon the sale of the 2024 Series C Bonds, and other amounts, and (ii) timely rebate to the United States of America certain amounts which may be received as interest or other investment earnings on the proceeds of the 2024 Series C Bonds, including amounts held in the Reserve Fund that are allocated to the 2024 Series C Bonds, and its other funds established by the Indenture and allocated to the 2024 Series C Bonds, all as shall be necessary to comply with this subsection (c). The Authority shall also make or cause to be made such identifiable investments of amounts allocable to the 2024 Series C Bonds as shall be necessary or appropriate in order to be able to ascertain the amounts which may be required so to be rebated to the United States of America. The Authority shall from time to time determine the amounts that shall be subject to such rebate and those amounts shall be held by the Authority in the Series 2024 Rebate Account of the Rebate Fund established pursuant to the General Indenture and this Series 2024C Indenture for the 2024 Series C Bonds and shall be rebated to the United States of America in the amounts and at the times required. The amount held in the Series 2024 Rebate Account from time to time shall not be available for the other purposes for which the funds and accounts established by this Series 2024C Indenture may be applied. At the time of delivery of the

2024 Series C Bonds, and from time to time after their delivery, the Authority shall provide such instructions to the Trustee as to the restrictions placed on the yield, the segregation of investments and the calculation and rebate of amounts to the United States of America, as are required in order for the Authority to comply with this subsection (d).

(d) The Authority covenants and agrees to take all steps within its power that are required to maintain the status of interest on the 2024 Series C Bonds as not includable in gross income of their owners under existing federal law.

(e) The Authority shall not refinance any Financed Development except upon receiving an opinion of nationally recognized bond counsel selected by it that the refinancing shall not cause interest on the 2024 Series C Bonds to be included in gross income for federal income tax purposes.

**Section 2.13. Authority Representations and Warranties.** The Authority represents and warrants that:

(a) The Authority is duly authorized under the Act, to (i) issue the 2024 Series C Bonds, (ii) execute and deliver this Series 2024C Indenture, (iii) assign its interest in the Series 2024 Loan Documents and (iv) pledge and assign the Trust Estate as set forth in the General Indenture for the benefit of the Bondowners, to secure the payment of the principal of and interest and any premium on the Bonds (including the 2024 Series C Bonds) in accordance with the terms and provisions of the General Indenture and this Series 2024C Indenture.

(b) All actions on the part of the Authority for the issuance, sale and delivery of the 2024 Series C Bonds and for the execution and delivery of this Series 2024C Indenture and the Series 2024 Loan Documents and the endorsement of the mortgage notes have been or will be taken duly and effectively.

(c) The 2024 Series C Bonds will be valid and enforceable special, limited obligations of the Authority according to their terms, subject to bankruptcy and equitable principles.

## ARTICLE III

### REDEMPTION OF 2024 SERIES C BONDS

**Section 3.01. Redemption.** The 2024 Series C Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

#### **Section 3.02. Optional Redemption.**

(a) The 2024 Series C-1 Bonds are subject to redemption, at the option of the Authority, from any money available to the Authority for that purpose, in whole or in part,

at any time on or after July 1, 2033, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest, if any to the redemption date, without premium.

(b) The 2024 Series C-2 Bonds are subject to optional redemption or retirement, in whole or in part, by the Authority on the later of (i) August 1, 2027 or (ii) any date on or after the date the Project is complete and placed in service by the Borrower (as evidenced by a certificate of occupancy for the Project delivered by the Borrower to the Trustee), at a redemption or retirement price equal to 100% of the principal amount of the 2024 Series C-2 Bonds plus accrued interest, but without premium, to the optional redemption date.

**Section 3.03. Sinking Fund Redemption.** The 2024 Series C-1 Term Bonds maturing on July 1, 2029, July 1, 2030, July 1, 2031, July 1, 2032, July 1, 2033, July 1, 2034, July 1, 2035, July 1, 2036, July 1, 2039, July 1, 2044, July 1, 2049, July 1, 2054, July 1, 2059 and July 1, 2068 are subject to mandatory sinking fund redemption on January 1 and July 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such 2024 Series C-1 Term Bonds so redeemed, plus accrued interest to the date of redemption, without premium:

**2024 Series C-1 Term Bonds due July 1, 2029**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2029        | \$30,000                             |
| July 1, 2029*          | 30,000                               |

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2030**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2030        | \$30,000                             |
| July 1, 2030*          | 35,000                               |

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2031**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2031        | \$35,000                             |
| July 1, 2031*          | 35,000                               |

\*maturity



**2024 Series C-1 Term Bonds due July 1, 2032**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2032        | \$35,000                             |
| July 1, 2032*          | 40,000                               |

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\*maturity

**2024 Series C-1 Term Bonds due July 1, 2033**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2033        | \$40,000                             |
| July 1, 2033*          | 40,000                               |

---

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2034**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2034        | \$40,000                             |
| July 1, 2034*          | 40,000                               |

---

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2035**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2035        | \$40,000                             |
| July 1, 2035*          | 40,000                               |

---

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2036**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2036        | \$45,000                             |
| July 1, 2036*          | 45,000                               |

---

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2039**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2037        | \$45,000                             |
| July 1, 2037           | 45,000                               |
| January 1, 2038        | 50,000                               |
| July 1, 2038           | 50,000                               |
| January 1, 2039        | 50,000                               |
| July 1, 2039*          | 50,000                               |

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\*maturity

**2024 Series C-1 Term Bonds due July 1, 2044**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2040        | \$55,000                             |
| July 1, 2040           | 55,000                               |
| January 1, 2041        | 55,000                               |
| July 1, 2041           | 55,000                               |
| January 1, 2042        | 55,000                               |
| July 1, 2042           | 55,000                               |
| January 1, 2043        | 60,000                               |
| July 1, 2043           | 60,000                               |
| January 1, 2044        | 60,000                               |
| July 1, 2044*          | 65,000                               |

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\*maturity

**2024 Series C-1 Term Bonds due July 1, 2049**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2045        | \$65,000                             |
| July 1, 2045           | 65,000                               |
| January 1, 2046        | 70,000                               |
| July 1, 2046           | 70,000                               |
| January 1, 2047        | 70,000                               |
| July 1, 2047           | 75,000                               |
| January 1, 2048        | 75,000                               |
| July 1, 2048           | 75,000                               |
| January 1, 2049        | 80,000                               |
| July 1, 2049*          | 80,000                               |

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\*maturity

**2024 Series C-1 Term Bonds due July 1, 2054**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2050        | \$ 80,000                            |
| July 1, 2050           | 85,000                               |
| January 1, 2051        | 85,000                               |
| July 1, 2051           | 85,000                               |
| January 1, 2052        | 90,000                               |
| July 1, 2052           | 90,000                               |
| January 1, 2053        | 95,000                               |
| July 1, 2053           | 95,000                               |
| January 1, 2054        | 95,000                               |
| July 1, 2054*          | 100,000                              |

\*maturity

**2024 Series C-1 Term Bonds due July 1, 2059**

| <b>Redemption Date</b> | <b>Sinking Fund Requirement (\$)</b> |
|------------------------|--------------------------------------|
| January 1, 2055        | \$105,000                            |
| July 1, 2055           | 105,000                              |
| January 1, 2056        | 105,000                              |
| July 1, 2056           | 110,000                              |
| January 1, 2057        | 115,000                              |
| July 1, 2057           | 115,000                              |
| January 1, 2058        | 120,000                              |
| July 1, 2058           | 120,000                              |
| January 1, 2059        | 125,000                              |
| July 1, 2059*          | 125,000                              |

\*maturity

## 2024 Series C-1 Term Bonds due July 1, 2068

| Redemption Date | Sinking Fund Requirement (\$) |
|-----------------|-------------------------------|
| January 1, 2060 | \$130,000                     |
| July 1, 2060    | 135,000                       |
| January 1, 2061 | 135,000                       |
| July 1, 2061    | 140,000                       |
| January 1, 2062 | 145,000                       |
| July 1, 2062    | 145,000                       |
| January 1, 2063 | 150,000                       |
| July 1, 2063    | 155,000                       |
| January 1, 2064 | 160,000                       |
| July 1, 2064*   | 160,000                       |
| January 1, 2065 | 165,000                       |
| July 1, 2065    | 170,000                       |
| January 1, 2066 | 175,000                       |
| July 1, 2066    | 180,000                       |
| January 1, 2067 | 180,000                       |
| July 1, 2067    | 190,000                       |
| January 1, 2068 | 190,000                       |
| July 1, 2068*   | 460,000                       |

\*maturity

**Section 3.04. Special Redemptions.** The 2024 Series C Bonds are also subject to special redemption at the option of the Authority, in any order of maturity as determined by the Authority, and within a maturity by lot, at any time, in whole or in part, at their principal amount plus accrued interest, if any, to the date fixed for redemption, from the following sources:

(a) Loan Prepayments and Recovery Payments with respect to any Loans, which Loan Prepayments may include, without limitation, voluntary prepayments from proceeds of any Loans made by the Authority, including Loans financed by other Bonds or other obligations of the Authority and may also include money received upon a voluntary sale or disposition by the Authority of a Loan not in default, including a sale to secure obligations of the Authority other than Bonds;

(b) Payments made by the Authority, to the extent Loan Prepayments or Recovery Payments (excluding, in each case, amounts received for Bond redemption premium or other redemption costs) to be used to redeem 2024 Series C Bonds are less than the Outstanding principal amount of the Bonds that financed the portion of the Loans with respect to which that Loan Prepayment or Recovery Payment was received;

(c) Money available from a reduction in the Reserve Requirement;

(d) Available funds (including excess Revenues) under the Indenture, upon filing of a Compliance Certificate or Cash Flow Certificate, as appropriate, in accordance with the Indenture; and

(e) Any moneys remaining in the Program Fund which are not applied to the financing of the Series 2024 Risk Share Loan or the Series 2024 Collateralized Loan or other Loans.

Notwithstanding any provisions of this Series 2024C Indenture or the 2024 Series C Bonds to the contrary, the Authority shall be permitted to hold or direct prepayments, in full or in part, and repayments (other than regular amortizing payments), in full, of the Loans to a custodian or trustee (including the Trustee or the Paying Agent) selected by the Authority, in lieu of application to repay a like portion of the 2024 Series C Bonds, so long as the Authority simultaneously causes other funds to be applied to repay such portion of the 2024 Series C Bonds. The preceding provisions shall apply only for purposes of preserving or “recycling” private activity bond volume cap in accordance with Section 146(i)(6) of the Code. Except as otherwise consented to by the Trustee or Paying Agent in its reasonable discretion, the transfers between the parties described in the preceding provisions shall be satisfied pursuant to a funds exchange agreement that will provide that, for the convenience of the parties, payments may be netted or other transfers made to accomplish the result outlined herein.

**Section 3.05. Mandatory Redemption or Retirement of 2024 Series C-2 Bonds.** The 2024 Series C-2 Bonds are subject to mandatory redemption or retirement in whole or in part, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Authority has not received a request from the Borrower to elect pursuant to Exhibit C hereto to cause the remarketing of the 2024 Series C-2 Bonds, (ii) the conditions to remarketing set forth in Section 1.03 of Exhibit C hereto have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Series 2024 Remarketing Proceeds Sub-subaccount at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding 2024 Series C-2 Bonds on such Mandatory Tender Date. The 2024 Series C-2 Bonds shall be redeemed or retired at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the applicable redemption date from funds on deposit in, or transferred from, applicable amounts on deposit in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount, the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount, the Series 2024 Account of the Revenue Fund, to the extent available for such purpose, and the Series 2024 Debt Service Account of the Revenue Fund, to the extent available for such purpose.

**Section 3.06. Mandatory Redemption of 2024 Series C-1 Bonds.**

(a) The 2024 Series C-1 Bonds are subject to mandatory redemption in whole or in part not later than thirty days after August 1, 2028 or such later date that does not impact the then current rating on the 2024 Series C Bonds at a redemption price of 100% of the principal amount of the 2024 Series C-1 Bonds to be redeemed plus accrued interest to the date of redemption in the event that the Series 2024C Risk Share Loan Note is not endorsed for insurance by FHA on or prior to such date.

(b) At any time prior to the date on which notice of redemption pursuant to Section 3.06(a) hereof must be given pursuant to Section 3.07 hereof, the Borrower may extend the applicable mandatory redemption date by (i) providing written notice to the Authority and the Trustee of any extension of such mandatory redemption date, (ii) depositing Available Moneys for the credit of the 2024 Series C-1 Bonds Interest Account in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the 2024 Series C-1 Bonds to the extended mandatory redemption date (the “Extension Deposit”), (iii) delivering to the Authority and the Trustee a Cash Flow Projection establishing the sufficiency of the Extension Deposit, and (iv) delivering to the Trustee a confirmation of the rating of the then-current rating on the 2024 Series C-1 Bonds. Extension Deposits may continue to be made by or on behalf of the Borrower until the date on which such deposits may no longer be made under the Series 2024 Risk Share Loan Agreement or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to Section 3.08 hereof; provided, however, the mandatory redemption date may not be extended unless prior to any extension beyond such date there shall be filed with the Trustee and the Authority a Bond Counsel Opinion to the effect that such extension will not adversely affect the exclusion of interest on the 2024 Series C-1 Bonds from gross income for federal income tax purposes. The cost of such opinion shall be the sole obligation and responsibility of the Borrower.

(c) The 2024 Series C-1 Bonds are subject to mandatory redemption in part on the earliest practicable date following the transfer of amounts to the Redemption Fund at the direction of the Authority pursuant to the Series 2024C Collateralized Loan Agreement.

**Section 3.07. Redemption Procedures.** Subject to the provisions of this Series 2024C Indenture, notice of redemption of any 2024 Series C Bonds shall be given as provided in the General Indenture. The mailing of such notice shall be a condition precedent to redemption, *provided* that any notice which is mailed in accordance with the Indenture shall be conclusively presumed to have been duly given whether or not the Bondowners received such notice, and failure to give notice by mail, or any defect in such notice, to the Bondowner of any 2024 Series C Bond designated for redemption in whole or in part shall not affect the validity of the redemption of any other 2024 Series C Bond as to which notice was properly given. For any redemption of the 2024 Series C Bonds, except as otherwise described herein, the Trustee will give notice of redemption by Electronic Means, first class mail, postage prepaid, not more than 60 days nor less than 20 days prior to the specified Redemption Date, to the registered owner of the 2024 Series C Bond, or portions thereof, to be redeemed at the address of such registered owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of an optional redemption, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the 2024 Series C Bonds, and such notice and optional redemption shall be of no effect if by no later than the scheduled Redemption Date, sufficient moneys to redeem the 2024 Series C Bonds have not been deposited with the Trustee, or, if such moneys deposited, are not available. The Trustee will cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Owner who has not submitted its 2024 Series C Bond to the Trustee for payment. Failure to mail such notice of redemption to any registered owner of any 2024 Series C

Bond or any defect in such notice will not affect the validity of the redemption of any other 2024 Series C Bond for which the required notice was given. Any failure on the part of DTC or failure on the part of a nominee of a beneficial owner of 2024 Series C Bonds to notify the beneficial owner of the redemption of the 2024 Series C Bond shall not affect the validity of the redemption. Notwithstanding anything herein to the contrary, with respect to a mandatory redemption or retirement pursuant to Section 3.05 or an optional redemption or retirement of the 2024 Series C-2 Bonds on a Mandatory Tender Date, if a notice of mandatory tender has been given, the notice of mandatory tender provided to holders of the 2024 Series C Bonds shall serve as the notice of redemption or retirement required by Section 3.07 and shall satisfy the requirements of this Section 3.07, and no further notice of redemption or retirement will be required to the holders of the 2024 Series C Bonds. Notices of optional redemption or retirement of the 2024 Series C-2 Bonds shall be revocable in the event that there is not on deposit with the Trustee prior to the date of redemption or retirement money sufficient to pay the redemption or retirement price of the 2024 Series C-2 Bonds to be redeemed or retired or, in the case of any redemption or retirement premium on the 2024 Series C-2 Bonds, there are not on deposit eligible funds sufficient to pay such redemption or retirement premium. If, on the redemption or retirement date, moneys for the redemption or retirement of all of the 2024 Series C Bonds to be redeemed or retired, together with all accrued interest on such 2024 Series C Bonds, if delivered, to the redemption or retirement date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption or retirement shall have been given as aforesaid, then, from and after the redemption or retirement date, interest on the 2024 Series C Bonds so called for redemption or retirement shall cease to accrue. Notices of redemption may be given as conditional notices.

**Section 3.08. Notice of Redemption to Registered Owners.**

(a) **Additional Notice.** At the same time notice of redemption is sent to the registered owners of the 2024 Series C Bonds, the Trustee shall send notice of redemption by Electronic Means, first class mail, overnight delivery service or other overnight means, postage or service prepaid (i) to the Rating Agency and (ii) the MSRB.

(b) **Book Entry Bonds.** Notwithstanding provisions of this Series 2024C Indenture to the contrary, so long as the 2024 Series C Bonds shall be registered in the name of Cede & Co., notices of redemption shall be made as set forth in Section 2.06 hereof.

**Section 3.09. Purchase in Lieu of Redemption.** 2024 Series C Bonds called for redemption pursuant to the preceding Sections of this Article III hereto are subject to purchase in lieu of redemption on the Redemption Date, at the option of the Authority from any funds available to the Authority, in whole or in part, at the principal amount thereof plus accrued interest, if any, to the Redemption Date. Purchase in lieu of redemption shall be available for all of the 2024 Series C Bonds called for redemption or for such lesser portion of such 2024 Series C Bonds as constitute Authorized Denominations. The Authority may direct the Trustee to purchase all or such lesser portion of the 2024 Series C Bonds so called for redemption.

**ARTICLE IV  
ESTABLISHMENT AND OPERATION OF ACCOUNTS**

**Section 4.01. Establishment of Accounts.** In connection with the issuance of the 2024 Series C Bonds, the following Accounts are established within the Funds established under the General Indenture, each of which shall be held by the Trustee:

(a) A Series 2024 Account of the Program Fund, and within the Series 2024 Account, the following Subaccounts:

(i) the Series 2024 Costs of Issuance Subaccount;

(ii) the Series 2024 Risk Share Loan Subaccount;

(iii) the Series 2024 Collateralized Loan Subaccount and therein, a 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount and a 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount;

(iv) the Lender Subaccount;

(b) A Series 2024 Account of the Revenue Fund, and within the Series 2024 Account, the following Subaccounts:

(i) Series 2024 Debt Service Subaccount;

(ii) Series 2024 Special Receipts Subaccount;

(iii) Series 2024 Cash Collateral Subaccount and therein, a 2024 Series C-1 Bonds Cash Collateral Sub-subaccount and a 2024 Series C-2 Bonds Cash Collateral Sub-subaccount; and

(iv) Series 2024 Redemption Subaccount and therein, the Series 2024 Remarketing Proceeds Sub-subaccount.

(c) A Series 2024 Account of the Reserve Fund.

(d) A Series 2024 Account of the Rebate Fund.

There shall also be established such additional funds, accounts and subaccounts as may be determined to be necessary and desirable by the Authority.

**Section 4.02. Operation of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund.**

(a) Amounts on deposit in the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund shall only be disbursed upon receipt of a requisition given by the Borrower to the Authority and thereafter approved by the Authority and presented to the Trustee. After receipt of an approved requisition as described in the preceding



sentence, the Trustee shall not disburse funds in the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund unless an amount of Available Moneys equal to or greater than the sum of (i) the amount set forth in the requisition, and (ii) all prior disbursements made by the Trustee from the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund, are on deposit in the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund. Notwithstanding the foregoing, to the extent the Authority approves a requisition from the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund and the amounts of such disbursement are directly funded by the Bridge Lender under the Bridge Loan and not transferred directly to the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Revenue Fund, (x) an amount equal to such disbursement of Bridge Loan proceeds shall be deemed to be transferred from the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund to the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund, and (y) such disbursement of Bridge Loan proceeds will be deemed made from moneys in the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund. Any amounts remaining in the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund on the date of maturity or earlier optional redemption of the 2024 Series C Bonds, shall be transferred to the Series 2024 Debt Service Subaccount of the Series 2024 Account of the Revenue Fund, or the Series 2024 Redemption Subaccount of the Series 2024 Account of the Revenue Fund, as applicable, and used for the payment due on such 2024 Series C Bonds on the Maturity Date or redemption date, as applicable. Moneys in the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Account of the Program Fund shall be invested in Permitted Investments, as defined in the General Indenture.

(b) Amounts on deposit in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund shall only be disbursed upon receipt of a requisition given by the Borrower to the Authority and thereafter approved by the Authority and presented to the Trustee. After receipt of an approved requisition as described in the preceding sentence, the Trustee shall not disburse funds in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund unless an amount of Available Moneys equal to or greater than the sum of (i) the amount set forth in the requisition, and (ii) all prior disbursements made by the Trustee from the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund, are on deposit in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund. Notwithstanding the foregoing, to the extent the Authority approves

a requisition from the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund and the amounts of such disbursement are directly funded by the Bridge Lender under the Bridge Loan and not transferred directly to the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Revenue Fund, (x) an amount equal to such disbursement of Bridge Loan proceeds shall be deemed to be transferred from the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund to the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund, and (y) such disbursement of Bridge Loan proceeds will be deemed made from moneys in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund. Any amounts remaining in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund on the date of maturity or earlier optional redemption of the 2024 Series C Bonds, shall be transferred to the Series 2024 Debt Service Subaccount of the Series 2024 Account of the Revenue Fund, or the Series 2024 Redemption Subaccount of the Series 2024 Account of the Revenue Fund, as applicable, and used for the payment due on such 2024 Series C Bonds on the Maturity Date or redemption date, as applicable. Moneys in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Account of the Program Fund shall be invested in Permitted Investments.

(c) Investment earnings on the funds in the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund may be used to pay debt service on the 2024 Series C Bonds or other approved Project costs permitted to be paid with proceeds of the 2024 Series C Bonds.

#### **Section 4.03. Operation of the Series 2024 Cash Collateral Subaccount of the Revenue Fund.**

(a) There shall be deposited in the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund Available Moneys in such amounts and at such times as may be necessary to allow the Trustee to transfer funds from the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund, pursuant to Section 4.02, upon the Trustee's receipt of a disbursement request from the Borrower approved by the Authority and the Bridge Lender (which shall specify that funds should be deposited in the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount). Moneys in the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund shall be invested in Permitted Investments described in clauses (i)-(iii) of the definition of Permitted Investments. As provided in Section 4.02 above, if the Authority has approved a disbursement request of the Borrower and the amount of such disbursement has been paid directly by the Bridge Lender under the Bridge Loan, the amount of such disbursement shall be deemed transferred from the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount of the Series 2024

Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund and shall become a part of and considered deposited under the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Revenue Fund.

(b) There shall be deposited in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund Available Moneys in such amounts and at such times as may be necessary to allow the Trustee to transfer funds from the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund, pursuant to Section 4.02, upon the Trustee's receipt of a disbursement request from the Borrower approved by the Authority and the Bridge Lender (which shall specify that funds should be deposited in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount). Moneys in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund shall be invested in Permitted Investments described in clauses (i)-(iii) of the definition of Permitted Investments. As provided in Section 4.02 above, if the Authority has approved a disbursement request of the Borrower and the amount of such disbursement has been paid directly by the Bridge Lender under the Bridge Loan, the amount of such disbursement shall be deemed transferred from the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund and shall become a part of and considered deposited under the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Revenue Fund.

Moneys on deposit in the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund are pledged to, and shall be used for, the payment of the 2024 Series C Bonds when due, including to the extent money is not otherwise available, such amount as shall be directed by the Authority in connection with a mandatory redemption of the 2024 Series C-1 Bonds pursuant to Section 3.08 hereof, but amounts in the 2024 Series C-2 Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Account of the Series 2024 Account of the Revenue Fund shall first be used to pay interest and principal on the 2024 Series C-2 Bonds. The Trustee shall also transfer money in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount as follows: (i) on the Mandatory Tender Date, the amount necessary to pay the purchase price of the 2024 Series C-2 Bonds, to the extent applicable amounts on deposit in the Series 2024 Remarketing Proceeds Sub-subaccount and the Series 2024 Debt Service Subaccount (to the extent such funds are available for payment) are insufficient therefor; and (ii) on any date of redemption of the 2024 Series C-2 Bonds, in the amount related to the redemption, to the Series 2024 Redemption Account the amount, together with applicable amounts on deposit in the Series 2024 Account of the Revenue Fund, necessary to pay the principal and interest due on such 2024 Series C-2 Bonds on such date. Any interest earnings on the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund shall first be applied to interest payments on the 2024 Series C Bonds as such payments become due, and any interest earnings remaining on deposit therein after the later of (i) payment in full of the amounts due on 2024 Series C-2 Bonds (either at maturity or earlier redemption thereof) or (ii) the Conversion Date shall be transferred to the Series 2024 Debt Service Subaccount of the Series 2024 Account

of the Revenue Fund or such other Fund or Account as shall be directed by the Authority, subject to applicable federal tax laws and regulations. On the Conversion Date, and to the extent that the Authority has received a Note Endorsement in an amount equal to the 2024 Series C-1 Amount (or such other amount approved by FHA), any amounts in the 2024 Series C-1 Bonds Cash Collateral Sub-subaccount of the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund which are not proceeds of the 2024 Series C Bonds or deemed to be proceeds of the 2024 Series C Bonds or investment earnings on the amounts in the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund but rather are proceeds of the Bridge Loan related to the 2024 Series C-1 Bonds in an amount not to exceed \$7,400,000 shall, at the direction of the Authority, be deposited into the Lender Subaccount, subject to applicable tax laws and regulations. Amounts in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount shall, at the direction of the Authority, be transferred to the Series 2024 Debt Service Subaccount of the Series 2024 Account of the Revenue Fund, or the Series 2024 Redemption Subaccount of the Series 2024 Account of the Revenue Fund, as applicable, and used for the payment due on such 2024 Series C Bonds on the Maturity Date, Mandatory Tender Date or redemption or purchase date, as applicable or transferred to such Fund or Account as directed by the Authority. After disbursement of all amounts in the Series 2024 Cash Collateral Subaccount of the Series 2024 Account of the Revenue Fund, the Series 2024 Cash Collateral Account of the Series 2024 Account of the Revenue Fund shall thereafter be closed.

**Section 4.04. Operation of the Series 2024 Risk Share Loan Subaccount of the Series 2024 Account of the Program Fund.** Amounts on deposit in the Series 2024 Risk Share Loan Subaccount of the Series 2024 Account of the Program Fund shall be disbursed upon receipt of a requisition given by the Borrower to the Authority and thereafter approved by the Authority in accordance with the Series 2024 Risk Share Loan Agreement and presented to the Trustee.

**Section 4.05. Lender Subaccount.** Amounts on deposit in the Lender Subaccount shall be disbursed to the Bridge Lender by the Trustee at the written direction of the Authority on the Conversion Date, subject to applicable tax laws and regulations. The Lender Subaccount is not pledged to holders of the 2024 Series C Bonds and is not a part of the Trust Estate or otherwise subject to the lien of the Indenture. The Lender Subaccount is not collateral for the 2024 Series C Bonds and is only subject to the restrictions set forth in this Series 2024C Indenture. The Trustee shall close the Lender Subaccount upon final disbursement of all amounts on deposit therein.

**Section 4.06. Investment of Certain Funds.** With respect to Permitted Investments purchased as an investment of moneys in any Fund or Account held by the Trustee under this Series 2024C Indenture prior to the Conversion Date, the Trustee is permitted to invest such moneys in Permitted Investments that mature on or before the Conversion Date and is permitted to invest in such other Permitted Investments as directed by the Authority.

## ARTICLE V

### DISPOSITION OF 2024 SERIES C BOND PROCEEDS

**Section 5.01. Application of Bond Proceeds and Other Moneys on Delivery Date.** On the date of delivery of the 2024 Series C Bonds, the Proceeds of the 2024 Series C Bonds and other funds received from the Authority or other listed sources shall be deposited as follows:

(a) Proceeds of the 2024 Series C Bonds in the initial amount of \$-0- shall be deposited in the Series 2024 Risk Share Loan Subaccount of the Series 2024 Account of the Program Fund and used to fund the Series 2024 Risk Share Loan.

(b) Proceeds of the 2024 Series C Bonds in the amount of \$30,000,000.00 shall be deposited in the Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund and used to fund the Series 2024 Collateralized Loan, with \$7,400,000.00 of the \$30,000,000.00 deposited into the 2024 Series C-1 Bonds Collateralized Loan Sub-subaccount, and \$22,600,000.00 of the \$30,000,000.00 deposited into the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount.

(c) Proceeds of the 2024 Series C Bonds in the amount of \$248,339.00 shall be deposited in the Series 2024 Account of the Reserve Fund to satisfy the Reserve Requirement for the 2024 Series C Bonds.

**Section 5.02. Satisfaction of the Reserve Requirement.** A Reserve Requirement for the 2024 Series C Bonds is established as \$248,339.00 which is calculated as the maximum semiannual debt service on the 2024 Series C Bonds (excluding the 2024 Series C-2 Bonds), plus one month's interest on the Series 2024 Risk Share Loan. Any change from time to time in the amount of this Reserve Requirement shall be evidenced by a calculation made by the Authority and submitted in writing to the Trustee. The Trustee may conclusively rely on any such calculation by the Authority.

## ARTICLE VI

### AUTHORITY COVENANTS

**Section 6.01. Tax Covenants.** The Authority covenants and agrees with the Owners from time to time of the 2024 Series C Bonds that:

(a) with respect to the Loans, the Authority will take all necessary steps to meet the applicable requirements of the Code;

(b) the Authority will take all steps that are within its power as are necessary to maintain the status of interest on the 2024 Series C Bonds as not included in gross income of the owners thereof for federal income tax purposes under existing laws and will comply with the Tax Certificate; and

(c) the Authority will use all payments received on the Loans financed in whole or in part with the proceeds of the 2024 Series C Bonds as provided in the Tax Certificate.

**Section 6.02. Continuing Disclosure Covenant.** The Authority shall enter into (or cause the Borrower to enter into as agreed to by the Underwriters) one or more Continuing Disclosure Undertakings with respect to the 2024 Series C Bonds and shall make all required filings and reports so that all requirements of Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission, as amended from time to time, are met with respect to the 2024 Series C Bonds.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

**Section 7.01. Counterparts.** This Series 2024C Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 7.02. Notice.** The Authority expects to finance the Series 2024 Loans as described herein on or before than August 1, 2028. If the Series 2024 Loans are not financed by the date set forth herein, the Authority will notify the Rating Agency that has an outstanding Rating on the 2024 Series C Bonds.

#### **Section 7.03. HUD Requirements.**

(a) An Event of Default under the General Indenture shall not constitute a default under the Series 2024 Risk Share Loan and the terms of the HUD documents related to such Series 2024 Risk Share Loan.

(b) No amendment to this Series 2024C Indenture shall conflict with any HUD Regulations or documents applicable to the Series 2024 Risk Share Loan.

(c) To the extent that there is any conflict, inconsistency or ambiguity between or among this Series 2024C Indenture and any applicable HUD mortgage insurance or HUD statutory, regulatory or administrative requirements or any of the other documents which have been or are required by HUD to be executed by a mortgagor, the HUD mortgage insurance and HUD statutory, regulatory and administrative requirements and the terms of said HUD documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to, the HUD mortgage insurance and HUD statutory, regulatory and administrative requirements and the terms of said HUD documents.

#### **Section 7.04. Borrower Agreements.**

(a) The Borrower with respect to the Loans financed with proceeds of the 2024 Series C Bonds shall covenant under the terms of a related regulatory or use restriction agreement that they will comply with the requirements of the 40-60 Test elected pursuant to Section 142(d) of the Code. “40-60 Test” means 40% or more of the residential units in the Development are to be occupied by individuals whose income is 60% or less of area median gross income (as that term is defined in Section 142(d)(2)(B) of the Code). This covenant may be amended if a Bond Counsel Opinion is issued to the Authority and the Trustee to the effect that notwithstanding such amendment to this covenant, interest on

the 2024 Series C Bonds will remain excludable from gross income for federal income tax purposes.

(b) The Borrower under the Loans financed with proceeds of the 2024 Series C Bonds shall covenant in a related regulatory agreement that all of the dwelling units in such Financed Development must be rented or available for rental on a continuous basis during the Qualified Project Period. In order to satisfy this requirement, a Financed Development which contains fewer than five units must not have a unit occupied by the owner of such Financed Development. This covenant is subject to subsection (a) of this Section 8.04 and in addition may be amended if a Bond Counsel Opinion is issued to the Authority and the Trustee to the effect that notwithstanding or as a result of an amendment to this covenant, interest on the 2024 Series C Bonds will remain excludable from gross income for federal income tax purposes.

(c) NEF Assignment Corporation, an Illinois not-for-profit corporation, its successors and/or assigns, shall have the same rights to receive notice of, and to cure, any default or event of default of the Borrower with respect to this Series 2024C Indenture to the same extent and with the same effect as is set forth in Section 11(d) of the Use Restriction Agreement.

#### **Section 7.05. Multifamily Housing Program.**

(a) The Authority shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of this Series 2024C Indenture and sound banking practices and principles, diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority to protect its rights with respect to, collect payment under and maintain any insurance, guaranty, letter of credit or collateral on or securing any Series 2024 Risk Share Loan or subsidy payments in connection with the residential housing or the occupancy thereof, including, but not limited to, any Federal Insurance which includes, upon the expiration of the applicable grace period following the occurrence of a default under the Series 2024 Risk Share Loan financed with the proceeds of the 2024 Series C Bonds and endorsed to evidence Federal Insurance coverage, filing a claim for Federal Insurance with respect to the Series 2024 Risk Share Loan.

(b) Whenever necessary in order to protect and enforce the interests and security of the owners of the 2024 Series C Bonds, the Authority shall commence foreclosure or pursue other appropriate remedies with respect to any Loan which is in default after any applicable notice and cure periods. In the event that the Authority shall, in its discretion, determine such action to be in the best interests of the owners of the 2024 Series C Bonds, the Authority may bid for and purchase the Financed Development securing any such Series 2024 Loan at any foreclosure sale thereof or may otherwise take possession of or acquire such Financed Development prior to the purchase or acquisition of any such Financed Development and shall take such further action as determined by the Authority as it shall deem most appropriate having due regard for the interests of the owners of the 2024 Series C Bonds.

(c) The Authority may at any time sell, assign or otherwise dispose of the Series 2024 Risk Share Loan (or the Financed Development to which such Series 2024 Risk Share Loan relates), and such Loan (or Financed Development to which such Loan relates) shall be released free and clear of the lien of the Indenture in order to:

(i) realize the benefits of any Federal Insurance with respect to such Series 2024 Risk Share Loan or Financed Development;

(ii) provide funds to finance another Series 2024 Loan having substantially equivalent terms as the remainder of such Series 2024 Loan; or

(iii) provide funds for the redemption or purchase of a principal amount of 2024 Series C Bonds corresponding to the unpaid principal amount of such Loan.

In addition, the Authority may sell any Financed Development if it determines that (i) the proposed sale and the terms thereof are in the best interests of the Bondowners and (ii)(a) the loss of revenues available for the payment or retirement of 2024 Series C Bonds as a result of such sale is less than that estimated to result if the Financed Development were not so sold or (b) the risk of such a loss in the event that the Financed Development is not so sold is substantial.

(d) The Authority shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Series 2024 Loans consistent with sound banking practices and principles, including the prompt collection of all Mortgage Repayments and all other amounts due the Authority thereunder. The Authority shall service the Series 2024 Loans or appoint a servicer for the Series 2024 Loans, and if it appoints a servicer shall enter into a servicing agreement with respect thereto, effective not later than the date of delivery of the Series 2024 Loans. The Authority or such servicer shall service the Series 2024 Loans in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other standards as are required to maintain the Federal Insurance with respect to the Series 2024 Risk Share Loan. The Authority shall not without good cause release the obligations of any of the Borrowers under any financing agreement, or of the servicer under the servicing agreement and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Authority, the Trustee and the Bondowners under or with respect to the financing agreements securing the Series 2024 Loans and any servicing agreement; provided, however, that nothing in this Section shall be construed to prevent the Authority from settling a default on a Series 2024 Loan on such terms as the Authority shall determine to be in the best interests of the Authority and the Bondowners.

#### **Section 7.06. Enforcement and Federal Insurance.**

(a) The Authority shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of the Series 2024 Loans, including the prompt collection of Series 2024 Loan repayments.



(b) The Authority shall do all that is reasonably necessary on the part of the Authority to maintain the Federal Insurance, to the extent applicable, and shall not amend this Series 2024C Indenture in a manner that conflicts with HUD regulations or other covenants, agreements, stipulations or documents with respect thereto. Whenever it shall be necessary to protect and enforce the rights of the Authority under a mortgage securing the Series 2024 Risk Share Loan and to protect and enforce the rights and interests of Bondowners under this Series 2024C Indenture, the Authority shall do, or cause to be done, all things necessary to enforce its rights under any Federal Insurance and to receive payment of any claims thereon in cash. In the event of any default of the Series 2024 Risk Share Loan having the benefit of Federal Insurance, the Authority shall notify HUD of the tax-exempt status of the security for which such Series 2024 Risk Share Loan is pledged and that a claim under the Federal Insurance may be forthcoming. Notwithstanding the above, with respect to Federal Insurance, the Authority shall not request any extension of the time for filing its election to assign the Series 2024 Risk Share Loan having the benefit of Federal Insurance beyond any extension period granted by HUD, without first notifying each Rating Agency in writing of its intention to make such a request, and receiving confirmation from each Rating Agency that such a request would not adversely affect the Rating on the Bonds. The Trustee shall, following written notice to the Authority, have full power and authority to perform the Authority's covenants contained in this paragraph to the extent the Authority fails or threatens to fail to perform such covenants on a timely basis and shall, to the extent applicable, use best efforts to itself perform such covenant on a timely basis.

**Section 7.07. HUD Provisions.** The Authority will maintain certain required project escrow funds in trust for the benefit of the mortgagor with respect to the Series 2024 Risk Share Loan financed by the 2024 Series C Bonds having the benefit of Federal Insurance and not subject to the terms of the Series 2024C Indenture. The Authority will not amend this Series 2024C Indenture in a manner which conflicts with HUD regulations or documents.

**Section 7.08. Supplemental Indentures.** In addition to the Supplemental Indentures permitted by Section 10.01 of the General Indenture, the Authority and the Trustee may, from time to time and at any time, enter into a Supplemental Indenture to make such modifications or changes herein in order to comply with any requirements of HUD imposed as a condition of providing Federal Insurance, with respect to the Series 2024 Risk Share Loan, if such modifications or changes will not, in the judgment of the Authority, adversely impact the ability of the mortgagor thereof to make payments to the Authority sufficient to pay the principal and redemption price of, and interest on, the 2024 Series C Bonds.

**Section 7.09. Limitations on Liability.** Notwithstanding any other provision of this Series 2024C Indenture to the contrary:

(a) The obligations of the Authority with respect to the 2024 Series C Bonds are not general obligations of the Authority but are special, limited obligations of the Authority payable by the Authority solely from the Trust Estate.

(b) Nothing contained in the 2024 Series C Bonds or in this Series 2024C Indenture shall be considered as assigning or pledging any funds or assets of the Authority other than the Trust Estate.

(c) The 2024 Series C Bonds are not and will not be a debt of the Authority, and neither the Authority nor any other political subdivision of the State is or will be liable for the payment of the 2024 Series C Bonds.

(d) Neither the faith and credit of the Authority, the State nor of any other political subdivision of the State are pledged to the payment of the principal of or interest or any premium on the 2024 Series C Bonds.

(e) No failure of the Authority to comply with any term, condition, covenant or agreement in this Series 2024C Indenture or in any document executed by the Authority in connection with the mortgaged property or the issuance, sale and delivery of the 2024 Series C Bonds shall subject the Authority to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate.

(f) The Authority shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Series 2024C Indenture or any of the other transaction documents, whether for the payment of the principal or Redemption Price of, or interest on, the 2024 Series C Bonds, the payment of Expenses or otherwise.

**Section 7.10. Further Assurances; Security Agreement.** The Authority, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental resolutions and other instruments and documents, and perform such further acts, as the Trustee may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee all of its respective interest in the property described in this Series 2024C Indenture and the revenues, receipts and other amounts pledged by this Series 2024C Indenture. The Authority shall cooperate to the extent necessary with the Trustee in its defenses of the Trust Estate against the claims and demands of all Persons.

**Section 7.11. Effective Date.** This Series 2024C Indenture shall take effect immediately upon its execution and delivery to the Trustee.

**Section 7.12. Filing of Form C-08.** No later than 30 days after a principal and/or interest payment is made, the Authority or the Trustee will prepare and file with the Office of Comptroller of the State of Illinois a Form C-08, Notice of Payment of Bond Interest and/or Principal by e-mail to [bondpayments@illinoiscomptroller.gov](mailto:bondpayments@illinoiscomptroller.gov) (or other such address as designated by the Authority or the Comptroller). If the Trustee files the Form C-08, the Trustee shall forward a copy of the C-08 to the Authority by e-mail to [treasury@ihda.org](mailto:treasury@ihda.org), or by such other manner provided in writing by the Authority to the Trustee.

**Section 7.13. Derivative Payments.** If deemed necessary or desirable by the Authority, there shall initially be a Derivative Agreement between the Authority and a counterparty in connection with the issuance of the 2024 Series C Bonds. Scheduled Derivative Payments

thereunder (but not termination fee, indemnification obligation or other fee payments) by the Authority are payable from the Revenue Fund from revenues transferred to the Debt Service Subaccount on a parity with interest on Bonds (including the 2024 Series C Bonds). While the Authority initially intends that Derivative Payments from a counterparty under such Derivative Agreement be included in Revenues, the Authority may, in the future, limit the extent to which Derivative Payments from a counterparty are treated as Revenues in accordance with Section 10.01(m) of the General Indenture without the consent of the Bondowners. Any obligations other than regularly scheduled payments of the Authority under the Derivative Agreement will be payable from funds in the Revenue Fund on a priority subordinate only to the payments of principal and interest on the Bonds, transfers to the Reserve Fund in amounts necessary to satisfy the Reserve Requirement and payment of other Expenses.

**Section 7.14. Sustainability Bonds Designation.** (a) The 2024 Series C Bonds are designated by the Authority as “Sustainability Bonds.” The Authority is issuing the 2024 Series C Bonds as Sustainability Bonds based on the intended use of proceeds of the 2024 Series C Bonds to finance the Series 2024 Loans that are expected to provide affordable housing and to include energy efficiency standards and features. The Authority finds that the intended uses of the proceeds of the 2024 Series C Bonds are in a manner that is consistent with the *Green Bond Principles*, *Social Bond Principles*, and *Sustainability Bond Guidelines* as promulgated by the International Capital Markets Association.

(b) The Authority expects to provide annual updates, as of the last day of each calendar year commencing with calendar year 2024, regarding the disbursement of the proceeds of the 2024 Series C Bonds to finance the Financed Developments. The specific form and content of such updates are in the absolute discretion of the Authority. The Authority will cease to update such information when the applicable lendable proceeds have been fully expended.

[Signatures Appear on Following Page]

Approved as to Form:

**ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
Chief Financial Officer

By: \_\_\_\_\_  
Executive Director

\_\_\_\_\_  
General Counsel

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to 2024 Series C Indenture]

**EXHIBIT A**  
**FORMS OF 2024 SERIES C BONDS**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

**MULTIFAMILY REVENUE BOND,  
2024 SERIES [C-1][C-2]**

BOND NO.: RC[-1][-2]-[]  
DATE OF BOND:  
DATE OF MATURITY:

PRINCIPAL SUM: \$  
REGISTERED OWNER:  
INTEREST RATE PER ANNUM:  
CUSIP:

The Illinois Housing Development Authority (the “Authority”), a body politic and corporate of the State of Illinois, acknowledges itself indebted to, and for value received, promises to pay, but solely from the Trust Estate as described below, to the registered owner named above, or its registered assignee, the Principal Sum named above on the Date of Maturity set forth above, unless previously redeemed as provided in this Bond, upon the presentation and surrender of this Bond at the designated corporate trust operations office of The Bank of New York Mellon Trust Company, N.A., as Trustee, or its successor in that capacity, and to pay to the registered owner of this Bond interest on such principal sum from the date of this Bond to the date of maturity or earlier redemption of this Bond [at the Interest Rate Per Annum named above]/[at a rate per annum equal to the Initial Interest Rate set forth above to but not including the Initial Mandatory Tender Date and thereafter at the Remarketing Rate for each subsequent Remarketing Period,] payable on each January 1 and July 1, with the first interest payment date being on January 1, 2025. Interest shall be payable by check or draft marked to the address of the registered owner, as shown on the registration bonds at the close of business on the Record Date immediately preceding each interest payment date, or in the case of a registered owner of all of the Outstanding 2024 Series [C-1][C-2] Bonds, upon request by wire transfer. The interest payable on this Bond on each such interest payment date will be paid to the person in whose name it is registered at the close of business on the applicable Record Date next preceding such interest payment date. Interest shall be calculated on the basis of a 360-day year comprised of 12 thirty-day months. Both principal and interest and redemption premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts. Capitalized terms used but not defined in this Bond have the meanings assigned in the Series Indenture, as defined below.

THE STATE IS NOT LIABLE ON THIS BOND AND THIS BOND IS NOT A DEBT OF THE STATE. SECTION 26.1 OF THE ILLINOIS HOUSING DEVELOPMENT ACT SHALL NOT APPLY TO THIS BOND.

This bond is one of a duly authorized issue of bonds of the Authority designated “Multifamily Revenue Bonds,” issued under and pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended and supplemented (the “Act”), and under and pursuant to a Trust Indenture (the “General Indenture”), dated as of September 1, 2016, between the

Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”). As provided under Section 2.09 of the General Indenture, a Series of Bonds may be issued pursuant to a Series Indenture (as such terms are defined in the General Indenture). This Bond is issued pursuant to the General Indenture and the Series 2024C Indenture (the “Series Indenture”; together with the General Indenture, the “Indentures”), dated as of July 1, 2024, between the Authority and the Trustee. This Bond is one of a Series of Bonds designated “Multifamily Revenue Bonds, 2024 Series C” (the “2024 Series C Bonds”), issued in the aggregate principal amount of \$30,000,000 under the Series Indenture. This Bond is a Bond of subseries [C-1/C-2] issued in the aggregate amount of [\$7,400,000]/[\$22,600,000]. Copies of the Indentures are on file at the office of the Authority and at the corporate trust office of the Trustee, and reference to the Indentures and to the Act is made for a description of the pledges and covenants securing the 2024 Series C Bonds; the nature, extent and manner of enforcement of those pledges; the rights and remedies of the owners of the 2024 Series C Bonds; and the terms and conditions upon which the Bonds are issued and may be issued. To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or of any amendatory or supplemental indenture to them, may be modified or amended by the Authority.

The General Indenture provides for the issuance, from time to time, under the conditions, limitations and restrictions set forth therein, of additional bonds on a parity with all Series of Bonds (other than Separately-Secured Bonds), including the 2024 Series C Bonds, issued under the General Indenture, for the purposes set forth in the Act. This Bond is part of an issue under the General Indenture and will be equally and ratably secured by the pledges and covenants made in the General Indenture, and secured by the Trust Estate as provided in the General Indenture.

The Bonds are special limited obligations of the Authority with a claim for payment solely from the Trust Estate (as defined in the General Indenture).

The 2024 Series C Bonds will be issued to provide funds to be applied, together with other available funds, for the purpose of (a) financing a mortgage loan or loans, (b) making a Reserve Fund deposit or paying the cost of a Cash Equivalent for the Reserve Fund, and (c) paying costs of issuance of the 2024 Series C Bonds.

This Bond is transferable, as provided in the Indentures, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee by the registered owner in person, or by the registered owner’s agent duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner’s agent duly authorized in writing, and a new registered 2024 Series C Bond or Bonds, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange for this Bond as provided in the Indentures, and upon the payment of the charges, if any, prescribed in them.

The 2024 Series C Bonds are issuable in the denomination of \$5,000 or any integral multiple in excess thereof. 2024 Series C Bonds, upon their surrender at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or the registered owner’s agent duly authorized in writing, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of 2024 Series C

Bonds of the same maturity of any of the authorized denominations, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Indentures.

The 2024 Series C Bonds shall be subject to redemption prior to maturity as set forth in the Series 2024C Indenture. Notice of redemption shall be given as set forth in the Indentures. [The 2024 Series C Bonds designated as 2024 Series C-2 Bonds under the Series Indenture are also subject to mandatory tender as set forth in the Series 2024C Indenture.]

IT IS CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Illinois and the Indentures to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2024 Series C Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

[Signatures Appear on Following Page]

**IN WITNESS WHEREOF**, the Illinois Housing Development Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile of the seal) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual signature of the Executive Director, all as of the date set forth above.

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_  
Chairman

(Seal)

Attest:

\_\_\_\_\_  
Executive Director



**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds of the issue designated in this bond and is issued under the provisions of the within-mentioned Indentures.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., Trustee

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication:

## ASSIGNMENT

The following abbreviations, when used in the inscription on this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust)

(Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as  
tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name, Address and Social Security Number or Tax Identification Number of Assignee)

the within Certificate and irrevocably constitutes and appoints \_\_\_\_\_  
attorney to transfer the said Certificate on the books kept for registration thereof with full power  
of substitution in the premises.

Dated:

Signature guaranteed:

**NOTICE:** The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

**NOTICE:** The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in approved Signature Guarantee Medallion Program).

**EXHIBIT B**

**SERIES 2024 FINANCED DEVELOPMENTS**

| <b>Financed<br/>Development</b> | <b>Mortgage Loan Amount (\$)<br/>(as of July 17, 2024)</b> |
|---------------------------------|--|
| Ravine Terrace                  | \$30,000,000   |

## EXHIBIT C

### MANDATORY TENDER AND REMARKETING OF SERIES 2024 2024 SERIES C-2 BONDS

*Capitalized terms used but not defined in this Exhibit C have the meanings assigned in the Series Indenture to which this Exhibit C is attached.*

“*Confirmation of Rating*” means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all 2024 Series C-2 Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

“*Extension Deposit*” has the meaning assigned in Section 3.06 of the Supplemental Indenture.

#### **Section 1.01. Mandatory Tender.**

(a) All Outstanding 2024 Series C-2 Bonds shall be subject to mandatory tender by the holder for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such 2024 Series C-2 Bonds shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the 2024 Series C-2 Bonds approved and established by the Authority and the Remarketing Agent in connection with a remarketing of the 2024 Series C-2 Bonds pursuant to Section 1.03 of this Exhibit C.

(c) While tendered 2024 Series C-2 Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering holder thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered 2024 Series C-2 Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such 2024 Series C-2 Bonds had not been tendered for purchase.

(d) Notwithstanding anything herein to the contrary, any 2024 Series C-2 Bonds tendered under this Section 1.01 will not be purchased if such 2024 Series C-2 Bonds matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(e) The Trustee shall utilize the following sources of payments to pay the tender price of the 2024 Series C-2 Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed 2024 Series C-2 Bonds deposited in the Series 2024 Remarketing Proceeds Sub-subaccount, to pay the principal amount, plus accrued interest, of 2024 Series C-2 Bonds tendered for purchase, (ii) a pro-rata portion of amounts on deposit in the 2024 Series C-2 Bonds Cash Collateral Sub-subaccount of the

Series 2024 Cash Collateral Subaccount, to pay the principal amount of 2024 Series C-2 Bonds tendered for purchase, (iii) amounts on deposit in the Series 2024 Debt Service Subaccount to pay the accrued interest, if any, on 2024 Series C-2 Bonds tendered for purchase, if available for such purpose, (iv) a pro-rata portion of any available interest earnings on amounts on deposit in the 2024 Series C-2 Bonds Collateralized Loan Sub-subaccount of the available Series 2024 Collateralized Loan Subaccount of the Series 2024 Account of the Program Fund to pay the accrued interest, if any, on the 2024 Series C-2 Bonds tendered for purchase and (v) any other eligible funds available or made available for such purpose as identified by the Borrower and approved by the Authority.

(f) 2024 Series C-2 Bonds shall be deemed to have been tendered for purposes of this Section 1.01 whether or not the holder shall have delivered such undelivered 2024 Series C-2 Bonds to the Trustee, and subject to the right of the holder of such undelivered 2024 Series C-2 Bonds to receive the purchase price of such 2024 Series C-2 Bonds and interest accrued thereon to the Mandatory Tender Date, such undelivered 2024 Series C-2 Bonds shall be null and void. If such undelivered 2024 Series C-2 Bonds are to be remarketed, the Trustee shall authenticate and deliver new 2024 Series C-2 Bonds in replacement thereof pursuant to the remarketing of such undelivered 2024 Series C-2 Bonds.

(g) In the event the 2024 Series C Bonds must be redeemed or retired as a result of the occurrence of any of the events listed in Section 3.05, the remarketing for such 2024 Series C Bonds shall be cancelled and 2024 Series C Bonds outstanding on the Mandatory Tender Date shall be redeemed or retired in accordance with Section 3.05.

#### **Section 1.02. Mandatory Tender, Redemption or Retirement Notice.**

(a) Not less than 30 days preceding a Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the holder of the 2024 Series C-2 Bonds then Outstanding (with a copy to the Remarketing Notice Parties) by first class mail, postage prepaid, at their respective addresses appearing on the register of the Trustee stating:

(i) the Mandatory Tender Date and that (a) if certain conditions are met, all Outstanding 2024 Series C-2 Bonds are subject to mandatory tender for purchase or redemption or retirement on the Mandatory Tender Date, (b) all Outstanding 2024 Series C-2 Bonds must be tendered for purchase or redemption or retirement no later than 12:00 p.m. Local Time on the Mandatory Tender Date and (c) holder will not have the right to elect to retain their 2024 Series C-2 Bonds;

(ii) the address of the Designated Office of the Trustee at which holder should deliver their 2024 Series C-2 Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding 2024 Series C-2 Bonds will be purchased, redeemed or retired, as applicable, on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding 2024 Series C-2 Bonds plus interest accrued to the Mandatory Tender Date; and

(iv) that if, in the event that the conditions to remarketing are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of

the 2024 Series C Bonds on the Mandatory Tender Date, the 2024 Series C Bonds not remarketed will be redeemed or retired, without further notice, on the Mandatory Tender Date; and

(v) any 2024 Series C-2 Bonds not tendered or presented for retirement or redemption will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) In the event that any 2024 Series C-2 Bonds required to be delivered to the Trustee for payment of the purchase price of such 2024 Series C-2 Bonds shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the 2024 Series C-2 Bonds at its address as shown on the Register setting forth the requirements set forth in this Series 2024C Indenture for delivery of the 2024 Series C-2 Bonds to the Trustee and stating that delivery of the 2024 Series C-2 Bonds to the Trustee (or compliance with the provisions of this Series 2024C Indenture concerning payment of lost, stolen or destroyed 2024 Series C-2 Bonds) must be accomplished as a condition to payment of the purchase price, redemption price or retirement price applicable to the 2024 Series C-2 Bonds.

(c) Neither failure to give or receive any notice described in this Section 1.02, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 1.02.

### **Section 1.03. Remarketing of 2024 Series C-2 Bonds.**

(a) ***Notice of Mandatory Tender.*** No later than 11:00 a.m. Local Time on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, which states the aggregate principal amount of 2024 Series C-2 Bonds which are to be tendered or deemed to be tendered pursuant to Section 1.01 hereof.

(b) ***Preliminary Conditions to Remarketing.*** No later than 11:00 a.m. Local Time on the 45th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, that it elects to cause the 2024 Series C-2 Bonds to be remarketed. A remarketing of the 2024 Series C-2 Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) Notice by the Borrower to the Authority, the Remarketing Agent and the Trustee of the Remarketing Period pursuant to Section 8.19 of the Loan Agreement;

(ii) Delivery to the Authority, the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) The Authority and the Borrower shall each have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, is necessary to be used in connection with the remarketing of the Outstanding 2024 Series C-2 Bonds. The

Borrower shall be obligated to provide the Authority such information as the Authority shall deem necessary for any such disclosure document or offering materials.

(c) **Remarketing.** Not less than ten (10) days before each Remarketing Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the 2024 Series C-2 Bonds Outstanding on the Remarketing Date at the minimum rate of interest which, if borne by the 2024 Series C-2 Bonds then Outstanding for the Remarketing Period specified as provided in this Section 1.03 of this Exhibit C, would enable such 2024 Series C-2 Bonds to be remarketed at a price equal to 100% of the principal amount of such 2024 Series C-2 Bonds plus, if such Remarketing Date is a date other than an Interest Payment Date, accrued interest on such 2024 Series C-2 Bonds from the preceding Interest Payment Date to which interest has been paid. Not less than four (4) Business Days before each Remarketing Date, the Remarketing Agent shall give notice, by telephone or telecopy, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of 2024 Series C-2 Bonds, if any, it has entered into an agreement with the Authority to purchase for remarketing (including 2024 Series C-2 Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the 2024 Series C-2 Bonds.

The Remarketing Agent shall have the right to purchase for its own account any 2024 Series C-2 Bonds tendered or deemed tendered pursuant to Section 1.01 of this Exhibit C at 100% of the principal amount thereof plus accrued interest, if any, and shall not thereafter resell such 2024 Series C-2 Bonds at a price greater than 100% of the principal amount thereof plus accrued interest, if any, without an opinion of Bond Counsel that such resale will not have a material adverse effect on the excludability of interest on the 2024 Series C-2 Bonds for federal income tax purposes.

The Remarketing Agent shall not remarket any 2024 Series C-2 Bonds to the Authority, the Borrower, any guarantor of the 2024 Series C-2 Bonds or any person which is an “insider” of the Authority, Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) **Final Conditions to Remarketing.**

(i) If, not less than four (4) Business Days preceding the Remarketing Date:

(1) the Remarketing Agent shall have notified the Trustee in writing that it has entered into an agreement with the Authority to purchase for remarketing the Outstanding 2024 Series C-2 Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding 2024 Series C-2 Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account) and other eligible funds equal to the amount needed to purchase the remarketed 2024 Series C-2 Bonds on the Remarketing Date are expected to be available to the Trustee on the Remarketing Date for deposit into the Series 2024 Remarketing Proceeds Sub-subaccount; and

(2) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received a Confirmation of Rating from the

Rating Agency, together with a copy of such Confirmation of Rating from the Rating Agency; and

(ii) If, not less than two (2) Business Days preceding the Remarketing Date:

(1) there shall be on deposit with the Trustee, from eligible funds provided by the Borrower an amount sufficient to pay the Extension Deposit (set forth in the Cash Flow Projection) for deposit (A) to the applicable Series 2024 Debt Service Subaccount with respect to the payment of interest and principal during the new Remarketing Period and (B) to the Series 2024 Costs of Issuance Subaccount with respect to the payment of Remarketing Expenses during the new Remarketing Period; and

(2) there shall either (A) be on deposit with the Trustee, from eligible funds provided by the Borrower and in the Series 2024 Costs of Issuance Subaccount an amount sufficient to pay the estimated Remarketing Expenses as certified in writing to the Trustee by the Borrower for deposit in the Series 2024 Costs of Issuance Subaccount, or (B) the Remarketing Agent shall have certified in writing to the Trustee that provision for the payment of the estimated Remarketing Expenses shall have been made to the satisfaction of the Remarketing Agent and the Authority and to the extent moneys for the Remarketing Expenses are not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to the Series 2024 Collateralized Loan Agreement immediately upon written demand;

then the Trustee shall immediately give notice, by telephone or telecopy, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Authority and the Borrower that (a) all conditions precedent to the remarketing of the Outstanding 2024 Series C-2 Bonds have been satisfied and (b) the sale and settlement of the Outstanding 2024 Series C-2 Bonds is expected to occur on the Remarketing Date. Following the Trustee's notice, the Outstanding 2024 Series C-2 Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Remarketing Date, and the Trustee shall apply the funds in the Series 2024 Remarketing Proceeds Sub-subaccount of the Series 2024 Redemption Subaccount on the Remarketing Date to payment of the purchase price of the Outstanding 2024 Series C-2 Bonds.

(e) If, not less than four (4) Business Days with respect to paragraph (d)(i) above or two (2) Business Days with respect to paragraph (d)(ii) above, as applicable, preceding a Remarketing Date, any condition set forth in paragraph (d) of this Section 1.03 has not been satisfied, then, unless the Outstanding 2024 Series C-2 Bonds are otherwise purchased on the Remarketing Date, the Remarketing Agent shall not sell any of the Outstanding 2024 Series C-2 Bonds on the Remarketing Date unless such conditions are waived by the Authority.

(f) No later than 11:00 a.m. Local Time on each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of 2024 Series C-2 Bonds tendered for purchase on such Remarketing Date. The proceeds from the remarketing of the 2024 Series C-2 Bonds shall be segregated from any funds of the Borrower and the Authority and shall in no case be



considered to be or be assets of the Borrower or the Authority. Funds representing remarketing proceeds received by the Remarketing Agent after 11:00 a.m. Local Time on each Remarketing Date shall be paid to the Trustee as soon as practicable upon such receipt.

(g) On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent, by telephonic advice, shall notify the Trustee of (i) the principal amount of 2024 Series C-2 Bonds to be sold by the Remarketing Agent pursuant to Section 1.03 of this Exhibit C and the purchase price, and, unless the 2024 Series C-2 Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of 2024 Series C-2 Bonds tendered for purchase on such Remarketing Date which will not be sold by the Remarketing Agent pursuant to Section 1.03 of this Exhibit C. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

2024 Series C-2 Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. 2024 Series C-2 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

**Section 1.04. Cancellation of 2024 Series C-2 Bonds.** The Trustee shall immediately cancel 2024 Series C-2 Bonds if the tender price of the 2024 Series C-2 Bonds is paid from amounts other than proceeds derived from the remarketing of the 2024 Series C-2 Bonds.

**Section 1.05. Qualifications of Remarketing Agent; Resignation and Removal.** The Remarketing Agent shall be appointed by the Authority. The Remarketing Agent shall be a commercial bank, national banking association, trust company, or a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$25,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$25,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Series 2024C Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Series 2024C Indenture by giving at least 30 days' notice of such resignation to the Authority, the Borrower, and the Trustee. The Remarketing Agent may be removed at any time by the Authority, with at least 30 days' notice of such removal to the Remarketing Agent, and the Authority shall have the right to appoint a successor Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and 2024 Series C-2 Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent by the Authority, shall give notice thereof by registered or certified mail to the Rating Agency (if the 2024 Series C-2 Bonds are then rated) and to the holder of the 2024 Series C-2 Bonds.

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**APPENDIX D**

**EXECUTION COPY OF GENERAL INDENTURE**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY,**

**Issuer**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

**Trustee**

**TRUST INDENTURE**

**Authorizing the Issuance of**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS**

**Dated as of September 1, 2016**

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## TRUST INDENTURE

This TRUST INDENTURE is dated as of September 1, 2016, is entered into by and between ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate of the State of Illinois (the “*Authority*”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as Trustee (the “*Trustee*”):

### ARTICLE I

#### DEFINITIONS

**Section 1.01**     **Definitions.** The following terms are defined as follows for use in this Trust Indenture:

“Accountant” means a major national Firm of independent certified public accountants of recognized national standing for auditing financial statements of major issuers of state and local government bonds throughout the United States.

“Acquired Bond Redemption Receipts” means amounts received by the Trustee upon a redemption (other than pursuant to sinking fund installments) of an Acquired Bond, and amounts received upon a voluntary sale of an Acquired Bond not in default (consistent with Section 6.07(b)(iv)).

“Acquired Bonds” means any Obligations which are not issued pursuant to this Indenture but which a Series Indenture authorizes the Authority to acquire with amounts deposited in Funds and Accounts specified in the Series Indenture.

“Acquired Development” means a Development which the Authority has (i) acquired or constructed and owns and operates on its own behalf or (ii) acquired title to or taken possession of, through protection and enforcement of its rights conferred by law, contract or mortgage or security interest with respect to such Development, but only during the period of ownership or possession by the Authority, and to the extent the Acquired Development is financed by Bonds (and not Acquired Bonds) or acquired with amounts in Funds or Accounts under this Trust Indenture.

“Acquired Development Expenses” means all of the costs and expenses incurred by the Authority in connection with the acquisition, ownership or operation of an Acquired Development, including the repayments required to be paid pursuant to any mortgage on such Acquired Development, which mortgage does not secure a Loan, except as limited with respect to any Series of Bonds by the applicable Series Indenture.

“Acquired Development Expense Requirement” means such amount of money as may from time to time be determined by the Authority to be necessary for the payment of the Acquired Development Expenses for an Acquired Development.

“Acquired Development Fund” means the Fund of that name established pursuant to Section 4.01 of this Indenture.

“Acquired Development Operating Income” means the amount during any period by which Acquired Development Receipts from an Acquired Development exceed Acquired Development Expenses for the Acquired Development.

“Acquired Development Receipts” means all moneys received by the Authority in connection with its acquisition, ownership or operation of an Acquired Development, except as limited with respect to any Series of Bonds by the related Series Indenture.

“Act” means the Illinois Housing Development Act, 20 ILCS 3805, as amended from time to time.

“Additional Bonds” means any additional Bonds issued pursuant to Section 2.09 of this Indenture.



“Amortized Value” means the purchase price of securities, excluding accrued interest, plus an amortization of any discount or less an amortization of any premium on the purchase price. The premium or discount shall be amortized on a straight line basis by multiplying the amount of that premium or discount by a fraction, the numerator of which is the number of days having then passed from the date of purchase and the denominator is the number of days from the date of purchase to the maturity date.

“Appreciated Amount” shall mean with respect to a Deferred Interest Bond, as of any date of computation, an amount equal to its initial principal amount plus the interest accrued on it from the date of its original issuance to the earlier of the date of computation or the date, if any, set forth in the related Series Indenture on which interest to be paid on a current interest payment date shall begin to accrue. The accrued interest shall be calculated at the rate or rates per year set forth in the related Series Indenture, and shall be compounded on such dates set forth in that Series Indenture, with accrual between compounding dates in equal daily amounts. For the purposes of actions, requests, notifications, consents or directions of Bondowners under this Indenture, the calculation of the Appreciated Amount shall be as of the interest payment date or compounding date preceding such date of calculation (unless such date of calculation shall be an interest payment date or compounding date, in which case it shall be as of the date of calculation).

“Authority” means the Illinois Housing Development Authority.

“Authority Program Account(s)” mean(s) any one or more accounts by that name in the Program Fund as established from time to time by a Series Supplement Indenture or Supplemental Indenture.

“Authority Program Determinations” mean any determination(s) by the Authority relating to Mortgage Loans to be financed with amounts in a related Authority Program Account, all consistent with this Indenture. Authority Program Determinations may include, without limitation, such matters as are set forth in the definition of Series Program Determination.

“Authority Request” means a written request or direction of the Authority signed by an Authorized Representative.

“Authorized Representative” means the Chairman, Vice Chairman, Executive Director, Acting Executive Director, Deputy Executive Director, Assistant Executive Director, Treasurer, Secretary, Assistant Treasurer, Assistant Secretary of the Authority and any other authorized representative as from time to time may be designated by resolution or by law to act on behalf of the Authority under this Indenture.

“Bond” or “Bonds” means any Bond or Bonds issued pursuant to this Indenture.

“Bond Counsel Opinion” means an opinion of a lawyer or firm of lawyers nationally recognized as bond counsel, selected by the Authority.

“Bondowner” or “Owner of Bonds” or “Owner” means the registered owner of any registered Bond.

“Cash Equivalent” means a letter of credit, insurance policy, surety, guarantee or other security arrangement upon which the Authority or the Trustee may make a draw for or acquire funds as needed for the Reserve Fund or to provide Supplemental Coverage.

“Cash Flow Certificate” means a certificate of an Authorized Representative filed with the Trustee and meeting the requirements of Section 6.07(d) of this Indenture.

“Certificate” means a signed document either attesting to or acknowledging the circumstances, representations or other matters stated in it or setting forth matters to be determined pursuant to this Indenture or a Series Indenture.

“Code” means applicable provisions of the Internal Revenue Code of 1986, as amended, and the applicable regulations under it, or predecessor or successor provisions, as applicable.

“Compliance Certificate” means a certificate of an Authorized Representative filed with the Trustee and meeting the requirements of Section 6.07(c) of this Indenture.

“Contributed Assets” means any monies or assets contributed by the Authority to be held under this Indenture as additional Trust Estate, as and to the extent set forth in any Series Indenture or Supplemental Indenture.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale, issuance and remarketing of the Bonds, as certified by an Authorized Representative.

“Counsel’s Opinion” means an opinion of a lawyer or firm of lawyers selected by the Authority, including a lawyer in the regular employment of the Authority.

“Debt Service Account” means the Account of that name in the Revenue Fund established pursuant to Section 4.01 of this Indenture.

“Deferred Interest Bond” means any Bond designated as such by the related Series Indenture.

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Derivative Agreement” means an agreement with respect to any Bonds, such as an interest rate swap, collar, floor, cap, or other functionally similar agreement, creating Derivative Payments, between the Authority and a counterparty but only if the Derivative Payments to the Authority are to be included in Revenues or the Derivative Payments by the Authority are to be payable from Revenues, as provided in the related Series Indenture.

“Derivative Payment” means a payment obligation created by a Derivative Agreement, which payment is equal to interest on an amount, based upon a fixed or a variable rate index or formula, or to interest on amount above or below an interest rate cap or floor. Derivative Payments include only payments under a Derivative Agreement determined by reference to such interest on an amount and shall not, except as provided in the related Series Indenture or a Supplemental Indenture, include any other payments under such agreement (for example, any termination fee, indemnification obligation or other fee payment to the counterparty). Derivative Payments from a counterparty include all payments from the counterparty under the Derivative Agreement except to the extent provided in the related Series Indenture or in a Supplemental Indenture pursuant to Section 10.01(m) of this Indenture.

“Development” means a development, as such term is defined in the Act, as amended from time to time, in respect of which the Authority is authorized by law and under a Series Indenture either to make a Loan to an eligible borrower or to acquire, construct and operate on its own behalf.

“Development Receipts” means amounts held, or received by the Authority to be held, in custodial escrow or other accounts as funds of the owner or for the benefit, of a Development for which there is a Loan. Development Receipts include, without limitation, amounts for payments of real property taxes and insurance, repair and replacement reserves, working cash reserves and capital improvement reserves.

“Event of Default” means any of the events of default described in Section 7.02 of this Indenture.

“Expenses” means any money required or determined to be used by the Authority to pay the fees or expenses of the Trustee; any expenses which the Authority lawfully may pay relating to the Program, including without limitation, expenses, maintaining, administering, collecting, enforcing and insuring Loans or Acquired Bonds or the Bonds and also including, without limitation, fees or premiums for Supplemental Coverage, and costs of the redemption of Bonds, except as limited with respect to any Series of Bonds by the related Series Indenture. Expenses shall not include Acquired Development Expenses; and any fees payable to the Authority.

“Fiscal Year” means the year beginning on the first day of July and ending on the last day of June in the next succeeding year.

“Fund” or “Account” means a Fund or Account created by or pursuant to this Indenture or a Series Indenture.

“Government Obligations” means (i) direct obligations of or obligations fully guaranteed as to timely payment by the United States of America which may include, but are not limited to: United States Treasury obligations; Separate Trading or Registered Interest and Principal of Securities (STRIPS) and Coupons Under Book-Entry Safekeeping (CUBES), provided that the underlying United States Treasury obligation is not callable prior to maturity; certificates of beneficial ownership of the Farmers Home Administration; participation certificates of the General Services Administration; guaranteed Title IX financings of the U.S. Maritime Administration; guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; guaranteed mortgage-backed securities and guaranteed participation certificate of the Government National Mortgage Association; local authority bonds guaranteed by the U.S. Department of Housing and Urban Development; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority and (ii) interest obligations of the Resolution Funding Corporation (REFCORP), including, but not limited to, interest obligations of REFCORP stripped by the Federal Reserve Bank of New York.

“Indenture” means this Trust Indenture, as amended or supplemented by Supplemental Indentures and any Series Indenture (to the extent that such Series Indenture purports to amend this Indenture). References to “this Indenture” mean the Indenture.

“Insurance Proceeds” means payments received with respect to Acquired Developments, Loans or Acquired Bonds under any bond insurance policy, guarantee or fidelity bond, including amounts available under any Supplemental Coverage, less any expenses incurred in realizing such payments and less any reimbursement of advances due the insurer or provider of such guarantee or bond. Insurance Proceeds do not include amounts received for casualty insurance on Developments or otherwise with respect to property securing Loans or Acquired Developments to the extent applied to the repair, reconstruction or replacement of the insured property.

“Lender” means any entity or person approved by the Authority from whom Loans may be acquired.

“Loan” means any loan authorized by a Series Indenture and financed with proceeds of Bonds or other amounts deposited in the Funds and Accounts (as specified in the Series Indenture) and includes any instrument evidencing an ownership interest in or security for such a loan, and includes also any loan financed by any Obligations refunded by Bonds to the extent the Series Indenture for those Bonds so determines that such a loan shall be a Loan under this Indenture.

“Loan Prepayments” means amounts received upon a voluntary payment of principal or interest on a Loan including any prepayment penalty or other amounts due upon a prepayment of a Loan and amounts received upon the encumbrance, sale or other disposition of Loans not in default (consistent with Section 6.07(b)).

“Master Paying Agent” shall mean a Master Paying Agent, designated from time to time by the Authority pursuant to this Indenture and initially The Bank of New York Mellon Trust Company, N.A., or its successor.

“Obligations” means bonds, notes or other obligations of the Authority for borrowed money which are not Bonds.

“Outstanding” means, with respect to any Bonds as of any date, all Bonds authenticated and delivered by the Trustee under this Indenture to that date, except:

- (i) any Bond deemed paid in accordance with this Indenture;
- (ii) any Bond cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity; and

(iii) any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to Section 2.10 of this Indenture, unless proof satisfactory to the Trustee is presented that any Bond for which such Bond has been authenticated and delivered is held by a bona fide purchaser, as that term is defined in Article Eight of the Illinois Uniform Commercial Code, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds authenticated and delivered in lieu of, or in substitution for, it shall be deemed outstanding.

“Permitted Investments” means, to the extent authorized by law at the time of such investment:

(i) (A) Government Obligations, or (B) obligations with the highest long term rating by each Rating Agency at the time of purchase, of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of Government Obligations;

(ii) (A) notes, bonds, debentures or other obligations issued by Student Loan Marketing Association (excluding securities which do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date), Federal Home Loan Banks, the Tennessee Valley Authority, Farm Credit System, Federal Home Loan Mortgage Corporation (which guarantees full and timely payment of principal and interest), the Resolution Trust Corporation and the Small Business Administration; or (B) bonds, debentures or other obligations issued by Federal National Mortgage Association; in each case (1) excluding mortgage securities which are valued greater than par on the portion of unpaid principal or mortgage securities which represent payments of principal only or interest only with respect to the underlying mortgage loans and (2) with a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency’s existing Rating on the Bonds, other than Subordinate Bonds;

(iii) any other obligations of any agency controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States, as set forth in a Series Indenture, with a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency’s existing Rating on the Bonds, other than Subordinate Bonds;

(iv) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the United States, including the Trustee and its affiliates (as used in this (iv), “deposits” shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are fully insured by the Federal Deposit Insurance Corporation;

(v) certificates of deposit, time deposits or other deposit products of any bank, trust company or national banking association, including the Trustee and its affiliates, if all of the direct, unsecured debt obligations of such bank, trust company or national banking association at the time of purchase of such certificates of deposit or time deposits which have a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency’s then existing Rating on the Bonds, Bonds, or are rated in the highest rating category assigned by each such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for short-term obligations if the investment is for a period not exceeding one year;

(vi) repurchase agreements backed by or related to obligations described in (i), (ii) or (iii) above, (A) with any institution whose unsecured debt securities have a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency’s existing Rating on the Bonds, other than Subordinate Bonds (or the highest rating for short-term obligations if the investment is for a period not exceeding one year) or (B) with an institution that does not qualify under (A) and as to whom a Rating Certificate is filed with the Trustee;

(vii) investment agreements, structured and secured in such a manner as set forth in a Series Indenture, secured or unsecured, as required by the Authority, (A) with any institution whose debt securities have a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency’s existing Rating on the Bonds, other than Subordinate Bonds (or the highest rating of short-term obligations),

if the investment is for a period not exceeding one year), or (B) with an institution which does not qualify under (A) and as to whom a Rating Certificate is filed with the Trustee;

(viii) direct and general obligations of or obligations guaranteed by any state, municipality or political subdivision or agency of a state or municipality, and certificates of participation in obligations of the State which obligation may be subject to annual appropriations which obligations have a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency's existing Rating on the Bonds, other than Subordinate Bonds;

(ix) bonds, debentures, or other obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) issued by any bank, trust company, national banking association, insurance company, corporation, government or governmental entity (foreign or domestic), provided that such bonds, debentures or other obligations (A) are payable in any coin or currency of the United States of America which at the time of payment will be legal tender for the payment of public and private debts and (B) have a rating by each Rating Agency at the time of purchase at least equal to that Rating Agency's existing Rating on the Bonds, other than Subordinate Bonds;

(x) commercial paper (having original maturities of not more than 365 days) with the highest short-term rating by each Rating Agency at the time of purchase;

(xi) money market and similar funds which invest their assets exclusively in obligations described in clauses (i) through (x) above and which have been rated by each Rating Agency in the highest rating category assigned by each such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), provided that with respect to S&P Global Ratings such funds have ratings with the subscripts "m" or "m-G", including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise; and

(xii) any investments not described in (i) through (xi) above and authorized in a Series Indenture authorizing Bonds so long as the purchase of such investments by such Series Indenture does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds, other than Subordinate Bonds, by any Rating Agency then rating the Bonds.

If the rating of any Permitted Investment purchased by the Trustee changes adversely subsequent to the date of purchase, the Trustee is not required to sell such Permitted Investment.

The definition of Permitted Investments may be amended and additional obligations included by a Certificate of an Authorized Representative filed with the Trustee accompanied by a Rating Certificate.

For purposes of this definition, "institution" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation of a government.

Any reference in this definition to the highest rating of short-term obligations or to a rating category shall be without regard to any refinement or gradation such as a "+" or a "1".

"Principal" means (i) with respect to the principal amount of a Deferred Interest Bond, the Appreciated Amount and (ii) with respect to any other Bond, the stated principal amount.

"Proceeds" means the amounts received by the Authority or the Trustee, other than Loan Prepayments, upon any sale, encumbrance, taking, disposition or enforcement of any Loans or security for pledged rights in Loans, Acquired Developments and Acquired Bonds, less any costs and expenses incurred in realizing such amounts.

"Program" means the multifamily program of the Authority financed by the Bonds.

"Program Fund" means the Fund of that name established pursuant to Section 4.01 of this Indenture.

“Rating” means at any date the then existing rating of Bonds (other than Subordinate Bonds) by a Rating Agency and, with respect to any Series of Bonds which has a rating based on bond insurance or other similar credit support for that Series of Bonds, the then existing underlying rating of such Bonds, without regard to such bond insurance or other similar credit support, as determined by a Rating Agency or in such other manner as shall be acceptable to the Trustee and the Authority.

“Rating Agency” means any nationally recognized rating agency maintaining a rating of any Bonds (other than Subordinate Bonds), pursuant to a request for a rating by the Authority.

“Rating Certificate” means, in connection with certain actions to be taken by the Authority, a Certificate of an Authorized Representative filed with the Trustee that the Authority has been advised by each Rating Agency (rating criteria published by a Rating Agency also constituting advice of that Rating Agency) that the Rating of that Rating Agency will not be reduced or withdrawn as a result of the Authority taking that action.

“Rebate Fund” means the Fund of that name and Accounts in it which may be created and designated in Series Indentures pursuant to Section 4.01 of this Indenture.

“Recovery Payments” means amounts received with respect to any sale or enforcement of Loans or Acquired Bonds (other than Loan Prepayments or Acquired Bond Redemption Receipts) and received as Proceeds or Insurance Proceeds. Recovery Payments also include any recovery from Supplemental Coverage to the extent not included in Insurance Proceeds.

“Redemption Account” means the Account of that name in the Revenue Fund established pursuant to Section 4.01 of this Indenture.

“Redemption Price” means, with respect to a Bond or portion of a Bond, the portion of the principal amount of such Bond or portion plus the applicable premium, if any, payable upon redemption of a Bond in the manner contemplated by this Indenture and the related Series Indenture.

“Reserve Fund” means the Fund of that name established pursuant to Section 4.01 of this Indenture.

“Reserve Requirement” means, as of any particular date of calculation, an amount equal to the sum of all amounts established as Series Reserve Requirements in the Series Indentures for all Series of Bonds Outstanding authorizing the issuance of such Outstanding Bonds, other than Subordinate Bonds, except as otherwise provided for Separately-Secured Bonds. The Trustee may rely upon a Certificate from an Authorized Representative of the Authority which states the Reserve Requirement as of the date of the Certificate.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the corporate trust office specified in Section 12.02 (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the corporate trust office specified in Section 12.02 because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

“Revenue Fund” means the Fund of that name established pursuant to Section 4.01 of this Indenture.

“Revenues” means all money received by or on behalf of the Authority or the Trustee representing (i) principal and interest and related payments on Acquired Bonds and Loans, payments of service and other fees or charges to the Authority with respect to Loans, payments on Loans to reimburse the Authority for costs of issuance of Bonds (or other costs of the Authority with respect to Bonds payable from the Revenue Fund) and also including, without limitation, Loan Prepayments, Acquired Bond Redemption Receipts and Recovery Payments; (ii) Acquired Development Operating Income; (iii) Insurance Proceeds; (iv) Proceeds; (v) any Derivative Payments by a counterparty with respect to a Series of Bonds to the extent the related Series Indenture provides for those Derivative Payments to be included in Revenues; and (vi) subject to Section 5.02 of this Indenture, interest and other investment earnings received on the investment of amounts in any Account or Fund (other than the Acquired Development Fund

or the Rebate Fund), all in the manner and to the extent described in this Indenture and the Series Indentures. Except as provided in a Series Indenture, Revenues do not include (vii) discount, points or other initial Loan fees charged by the Authority; (viii) any payment of interest on a Loan or other payment with respect to a Loan to the extent to be used for paying mortgage insurance premiums or other fees for credit enhancement of the Loan; or (ix) Development Receipts.

“Separately-Secured Bonds” means bonds issued under a Separately-Secured Indenture, as described in Section 12.09 hereof.

“Separately-Secured Indenture” shall have the meaning set forth in Section 12.09 hereof.

“Serial Bonds” means Bonds which are not Term Bonds.

“Series” means one of the series of Bonds issued under this Indenture pursuant to a Series Indenture.

“Series Indenture” means a Supplemental Indenture of the Authority authorizing the issuance of a Series of Bonds and executed prior to issuance of those Bonds. Series Indenture includes any supplemental indenture of the Authority amending a Series Indenture as provided in Section 2.09 of this Indenture.

“Series Program Accounts” means the Series Program Accounts in the Program Fund established by Series Indentures.

“Series Program Determinations” means determinations by the Authority as to the terms of and security for Loans in connection with a Series of Bonds, as provided in a Series Indenture.

“Series Reserve Requirement” means an amount established by a Series Indenture as the reserve requirement in respect of the Bonds of the Series while those Bonds are Outstanding. Series Indentures for more than one Series of Bonds may establish a composite Series Reserve Requirement applicable to all those Series of Bonds.

“Sinking Fund Installments” means, as of any particular date of calculation, with respect to the Term Bonds of any Series and maturity, the amount of money required to be applied on any applicable date to the redemption prior to maturity or the purchase of those Bonds. Sinking Fund Installments may be established as fixed dollar amounts or by formula.

“Special Receipts Account” means the account of that name in the Revenue Fund established pursuant to Section 4.01 of this Indenture.

“State” means the State of Illinois.

“Subordinate Bonds” means Bonds payable on a basis as set forth in the related Series Indenture with a claim to payment which is subordinate to the claim of Bonds which are not Subordinate Bonds.

“Subordinate Bonds Account” means the account of that name in the Revenue Fund established pursuant to Section 4.01 of this Indenture.

“Supplemental Coverage” means the coverage, if any, whether in the form of insurance, Cash Equivalents or additional pledged funds, of losses from Loan or Acquired Bond defaults, as provided in a Series Indenture. Supplemental Coverage may include any insurance or reserve fund funded by the Authority.

“Supplemental Indenture” means any supplemental indenture of the Authority supplementing or amending this Indenture. It includes Series Indentures.

“Term Bonds” means the Bonds of a Series with respect to which Sinking Fund Installments have been established.

“Trust Estate” means Revenues, Funds and Accounts established under this Indenture and Series Indentures (other than the Acquired Development Fund and Rebate Fund), Acquired Bonds, including the investments, if any, of such amounts, and the earnings, if any, on such investments until applied in accordance with the terms of this Indenture; all right, title and interest of the Authority in and to the Loans and the documents evidencing and securing the Loans; all right, title and interest of the Authority in and to insurance proceeds and liquidation proceeds, but excluding Loan accrued interest not purchased by the Authority. The Trust Estate also includes all Contributed Assets, except as provided in Section 4.16 of this Indenture. The Trust Estate does not include amounts required under federal income tax law to be paid as rebate to the United States. The pledge of Funds and Accounts established in a Series Indenture may be limited in purpose and time, as set forth in the Series Indenture and security for the rights in Loans which rights are part of the Trust Estate, in each case solely to the extent such items are subject to the pledge, assignment, lien and security interest as provided in Section 6.01.

“Trustee” means the institution appointed to act as trustee with respect to the Bonds, and its successors as provided in this Indenture, initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, and its successors, including as a result of any consolidation, conversion, merger or transfer of all or substantially all of its corporate trust business and assets to which it or its successors may be a party, all as may be provided for herein or in accordance herewith.

**Section 1.02** Miscellaneous Definitions. Unless the context shall otherwise indicate, words which import the singular shall include the plural, and words which import the plural shall include the singular. The word “person” shall include, without limitation, any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

**Section 1.03** Requirement of Signed Writing. Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent” or similar action by the Authority or the Trustee, unless its form is specifically provided, shall, in the case of the Authority, be in writing signed by an Authorized Representative (subject to Section 8.11(b) of this Indenture) and in the case of the Trustee, be in writing signed by an authorized officer or agent of the Trustee, as applicable.

## ARTICLE II

### FORM, EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS

**Section 2.01** Issuance of Bonds. For the purposes set forth in the Act, Bonds of the Authority may be issued under and secured by this Indenture. The Bonds shall be special limited obligations of the Authority, with a claim for payment solely from the Trust Estate pledged hereunder, except as otherwise provided in a Series Indenture. The State shall not be liable on the Bonds and the Bonds shall not be a debt of the State, and the Bonds shall contain on their face a statement to such effect. Section 26.1 of the Act shall not apply to the Bonds.

**Section 2.02** Limitation on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

**Section 2.03** Form of Bonds. Bonds are issuable as registered Bonds. The principal denomination at maturity of any Series of Bonds shall be specified in the Series Indenture authorizing the issuance of such Series. The Bonds of any Series shall be in the form specified in the Series Indenture authorizing the issuance of such Series of Bonds, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture, and with such additional changes as may be necessary or appropriate to conform to the provisions of the Series Indenture. All such Bonds may include such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect to such Bond, or as may be authorized by the Authority.

**Section 2.04** Details of Bonds. The Bonds shall be dated, shall mature on the dates and in the amounts, shall bear interest, if any, until their payment in full, at the rates and on the dates, as established in the applicable Series Indenture.



Unless otherwise required by law or provided by a Series Indenture, Bonds shall be signed by, or bear the facsimile signature of, the Chairman, Vice Chairman, Executive Director or Deputy Executive Director of the Authority, with the corporate seal or a facsimile of the corporate seal of the Authority imprinted on the Bonds, and attested to by the manual or facsimile signature of a second Authorized Representative.

If any officer whose signature or a facsimile of whose signature appears on any Bonds shall cease to be such officer before the delivery of such Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes as if that officer had remained in office until the delivery. Subject to the provisions of the Act and any other applicable law any Bond may bear the facsimile signature of, or may be signed by, such persons as at the time of the execution of such Bond shall be the proper officers to sign such Bond even though at the date of such Bond such persons may not have been such officers.

Except as may be provided in a Series Indenture, both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which on their respective dates of payment is legal tender for the payment of public and private debts. Subject to alternative provisions established in any Series Indenture with respect to the related Series of Bonds, the principal and Redemption Price of all Bonds shall be payable only to the Owner or the Owner's legal representative at the designated corporate trust office of the Trustee (or Master Paying Agent, if one is appointed and serving) and payment of the interest on each Bond shall be made by the Trustee (or Master Paying Agent, if one is appointed and serving) on each interest payment date to the Owner appearing on the registration books of the Authority or to the designee of such Owner on such date, as provided in the Series Indenture, by check mailed to the Owner at the Owner's address as it appears on such registration books or, if to the Owner's designee, to the address of such designee. If so provided in the applicable Series Indenture the Trustee (or Master Paying Agent, if one is appointed and serving), in connection with a letter of credit, a tender option feature, a standby bond purchase agreement, or other similar liquidity or credit arrangements for Bonds may pay (and the Series Indenture may require that the Trustee pay), in whole or in part, the principal or Redemption Price of and/or interest on a Bond to a provider of such an arrangement rather than the Owner (or the Owner's designee). The Trustee (or Master Paying Agent, if one is appointed and serving) may enter into an agreement or agreements with or for the benefit of any Owner for the payment of principal of or interest on Bonds in a manner or in a place different from that set forth in this paragraph.

**Section 2.05 Authentication of Bonds.** Only Bonds which have endorsed on them a certificate of authentication substantially in the form set forth in the applicable Series Indenture, duly executed by the Trustee (or Master Paying Agent, if one is appointed and serving), shall be entitled to any benefit or security under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication is duly executed by the Trustee (or Master Paying Agent, if one is appointed and serving) and such certificate of the Trustee (or Master Paying Agent, if one is appointed and serving) upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee's or Master Paying Agent's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, or Master Paying Agent, as the case may be, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued at any one time.

**Section 2.06 Exchange of Bonds.** Subject to, and in accordance with, Section 2.07 of this Indenture, Bonds, upon their surrender at the designated corporate trust operations office of the Trustee (or Master Paying Agent, if one is appointed and serving), together with an assignment duly executed by the Owner or that Owner's agent or legal representative in such form as shall be satisfactory to the Trustee or Master Paying Agent as the case may be, may, at the option of their Owner, be exchanged for an equal aggregate principal amount of Bonds of like tenor and of the same Series and maturity, bearing interest at the same rate, of any denomination or denominations authorized by this Indenture.

The Authority shall make provisions for the exchange of Bonds at the designated corporate trust office of the Trustee (or Master Paying Agent, if one is appointed and serving), at its designated corporate trust office.

**Section 2.07 Negotiability, Registration and Registration of Transfer of Bonds.** The transfer of any Bonds may be registered only upon the books kept for that purpose upon their surrender to the Trustee (or Master Paying Agent, if one is appointed and serving), together with an assignment duly executed by the registered Owner or the Owner's agent in such form as shall be satisfactory to the Trustee or Master Paying Agent. Upon any such

registration of a Bond transfer, the Authority shall execute and the Trustee or Master Paying Agent shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, in any denomination or denominations authorized by this Indenture, in an aggregate principal amount equal to the principal amount of such Bond of same tenor and Series having the same maturity and bearing interest at the same rate.

In all cases in which Bonds are exchanged or Bonds are transferred by registration, the Authority shall execute and the Trustee or Master Paying Agent shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any exchange or registration of transfer shall be cancelled by the Trustee or Master Paying Agent. The Authority, or, at the direction of the Authority, the Trustee or Master Paying Agent may make a charge for the expense incurred in every such exchange or registration of transfer of Bonds, including a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. A Series Indenture may provide neither the Authority nor the Trustee (or Master Paying Agent) shall be required to make any such exchange or registration of transfer of Bonds of the related Series during the fifteen (15) days (or such other period for Bonds of a Series as provided in the related Series Indenture) immediately preceding an interest payment date on those Bonds, or, in the case of any proposed redemption of Bonds, immediately preceding the date of notice of that redemption, or after such Bonds or any portion of those Bonds shall have been selected for redemption.

Pursuant to a Series Indenture, the Trustee or Master Paying Agent may record different Owners with respect to the principal or Redemption Price of, and/or interest on a Bond.

**Section 2.08 Ownership of Bonds.** The person in whose name any Bond shall be registered shall be deemed and regarded as the Owner of such Bond for all purposes. Payment of or on account of the principal of and interest on any Bond of a Series shall be made only to its Owner or the Owner's legal representative. All such payments shall be valid and effective to satisfy and discharge the liability upon such Bond, including interest on it, to the extent of the sum or sums so paid.

**Section 2.09 Section 2.09. Issuance of the Bonds.** (a) Each Series of Bonds shall be authorized and issued under this Indenture pursuant to the authorization contained in a Series Indenture and shall be secured as set forth in the Series Indenture. The Bonds of each Series shall be designated as provided by the Series Indenture. The Bonds shall be in such subseries (if any), shall be in such denominations, shall be dated, shall bear interest at a rate or rates, not exceeding the maximum rate then permitted by law, payable beginning on such date, shall be stated to mature on such dates, shall be made redeemable at such times and prices (subject to the provisions of Article III of this Indenture), shall have such Series Reserve Requirements, shall have such interest payment dates, shall be numbered and the Term Bonds of such Series shall have such Sinking Fund Installments, all as may be provided by the Series Indenture for such Bonds. Except as may otherwise be provided for Subordinate Bonds in a related Series Indenture and subject to Section 10.01(j) of this Indenture, and except with respect to differences in maturities, interest payment dates, rates and redemption provisions, such Bonds shall be on a parity with and shall be entitled to the same benefits and security under this Indenture as all other Bonds issued under this Indenture; provided, however, that the Authority may issue a Series of Bonds or a portion of a Series of Bonds which may be further secured by a credit facility, a bond insurance policy or other further security securing only such Series of Bonds or a portion of such Series of Bonds as determined by the applicable Series Indenture in addition to the security provided in.

(b) Each Series Indenture authorizing the issuance of a Series of Bonds shall specify and determine:

(i) the authorized principal amount of such Series of Bonds;

(ii) the purposes for which such Series of Bonds are being issued, which shall be one or more of the following purposes: (a) the acquisition, construction, renovation, rehabilitation, improvement, expansion or equipping of any Development, including any Acquired Development and including providing reserves for those purposes, (b) the purchase, acquisition or making of Loans, (c) the purchase or acquisition of Acquired Bonds, (d) the making of such deposits in amounts, if any, required by this Indenture or Series Indentures to be paid into various Funds and Accounts, (e) the refunding of Bonds including prior to their redemption or maturity dates, (f) the acquisition, purchase, redemption or refunding of Obligations, (g) the purposes set forth in

Section 12.10 hereof, or (h) other lawful purposes of the Authority as specified in the Series Indenture or Supplemental Indenture;

(iii) the maturity date or dates, the amounts of each maturity, and the interest payment dates of the Bonds of such Series;

(iv) the interest rate or rates of the Bonds of such Series (which may be a variable rate or rates) or method of determining the rate or rates;

(v) the denomination or denominations of, and the manner of dating, numbering and lettering the Bonds of such Series;

(vi) in the case of Term Bonds, if any, provision for Sinking Fund Installments;

(vii) in the case of Deferred Interest Bonds, the provisions as to accrual and compounding of interest;

(viii) the Redemption Price or Redemption Prices, if any, the time or times and the terms and conditions upon which the Bonds of such Series may be redeemed prior to their maturities, including without limitation the method of selection for redemption as among maturities;

(ix) the amounts to be deposited from the proceeds of such Series of Bonds in the Funds and Accounts created and established by this Indenture and the Series Indenture;

(x) any Series Reserve Requirement with respect to Bonds other than Subordinate Bonds, the extent to which the Series Reserve Requirement may be met by a Cash Equivalent or accumulated over time, the amounts, including proceeds of the Bonds of such Series, which shall be deposited in the Series Reserve Account or used to acquire a Cash Equivalent for deposit in the Series Reserve Account and any limitation on investments of the Series Reserve Account;

(xi) the Series Program Determinations, if any;

(xii) whether there shall be any Derivative Agreement with respect to the Series of Bonds, the extent to which the related Derivative Payments by the counterparty are to be included in Revenues and whether the Derivative Payments by the Authority are to be payable from amounts in the Revenue Fund (and if so, the priority of their payment as set forth in Section 2.12 of this Indenture),

(xiii) whether the Series of Bonds shall be Subordinate Bonds;

(xiv) any instruments to be deposited with the Trustee under Section 6.01(b); and

(xv) any other provisions deemed advisable by the Authority not in conflict with the provisions of this Indenture.

The Bonds shall be executed substantially in the form and manner set forth above and shall be deposited with the Trustee or Master Paying Agent for authentication. Before the Bonds of the Series shall be authenticated and delivered by the Trustee or Master Paying Agent there shall be on file with the Trustee the following:

(i) a copy of this Indenture and the applicable Series Indenture duly certified by an Authorized Representative;

(ii) a Bond Counsel's Opinion stating in the opinion of such counsel that (a) this Indenture and the applicable Series Indenture have been duly authorized, executed and delivered by the Authority and are valid and binding obligations of the Authority and (b) the Bonds being issued are valid and legally binding

obligations special limited of the Authority, payable and secured in the manner and to the extent set forth in this Indenture and the applicable Series Indenture, and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained in this Indenture and the applicable Series Indenture;

(iii) in the case of each Series other than the initial Series of Bonds, by a Rating Certificate with respect to Bonds other than Subordinate Bonds; and

(iv) a request and authorization to the Trustee or Master Paying Agent on behalf of the Authority, signed by an Authorized Representative, to authenticate and deliver the Bonds to the purchaser or purchasers identified in such request upon payment to the Trustee for the account of the Authority of the purchase price of the Bonds.

When the documents mentioned in clauses (xvi) to (xix), inclusive, of this Section have been filed with the Trustee and when the Bonds described in the Series Indenture mentioned in clauses (i) through (xv) above have been executed and authenticated as required by this Indenture, the Trustee or Master Paying Agent shall deliver such Bonds at one time to or upon the order of the purchaser or purchasers named in the request and authorization mentioned in clause (xix) of this Section 2.09(b) (or for registration to facilitate issuance of the Bonds under a book-entry system), but only upon payment to the Trustee of the purchase price of those Bonds. The Trustee or Master Paying Agent shall be entitled to rely upon such request and authorization as to the amount of such purchase price. Simultaneously with the delivery of such Bonds the Trustee shall deposit or credit the proceeds of those Bonds into the Funds and Accounts as specified by this Indenture and the applicable Series Indenture.

(c) Except as expressly provided in a Series Indenture, the Authority may from time to time supplement or amend a Series Indenture without consent of Owners of Bonds to amend or supplement any provisions in a Series Indenture for the Series Reserve Requirement, the payment and security for Derivative Payments on a Derivative Agreement relating to that Series of Bonds from the Revenue Fund and the extent to which Derivative Payments with respect to that Series of Bonds are to be treated as Revenues, the use of Cash Equivalents in the Reserve Fund, Supplemental Coverage, Permitted Investments or the Series Program Determination, but only in compliance with Section 6.07(a)(ii) of this Indenture.

**Section 2.10 Mutilated, Destroyed or Lost Bonds.** If any Bond is mutilated, destroyed or lost, the Authority shall cause to be executed, and the Trustee or Master Paying Agent shall authenticate and deliver, a new Bond of the same tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such destroyed or lost Bond, upon the Owner's paying the reasonable expenses and charges of the Authority and the Trustee in connection with such exchange. In the case of a destroyed or lost Bond, the Owner shall file with the Trustee or Master Paying Agent evidence satisfactory to it and to the Authority that (i) such Bond was destroyed or lost and (ii) of the Owner's ownership of such Bond, and furnish the Authority and the Trustee or Master Paying Agent indemnity reasonably satisfactory to them.

**Section 2.11 Book-Entry.** The Authority may provide in the Series Indenture for a Series of Bonds, or any part of a Series, to be issued under a book-entry system. The applicable Series Indenture shall designate one or more book-entry depositories for the Series and shall describe the manner of the Authority's participation in the book-entry system applicable to the Series or any part of a Series, and shall approve the Authority's (and, if applicable, the Trustee's or Master Paying Agent's) entry into an agreement with such book-entry depository or depositories.

**Section 2.12 Derivative Agreements; Derivative Payments.** Except as expressly provided in a Series Indenture, the Authority may from time to time enter into one or more Derivative Agreements with respect to one or more Series of Bonds, but only in compliance with Section 6.07(a)(iii) of this Indenture. As provided in the related Series Supplemental Indenture, Derivative Payments payable by the Authority under any Derivative Agreement, other than with respect to Subordinate Bonds, may be payable from moneys on deposit in the Debt Service Account and, with respect to Subordinate Bonds, the Subordinate Bond Accounts, on a parity with, or, as provided in a Series Indenture, subordinate to interest payments on related Bonds as provided in Sections 4.03(f)(i) and 4.03(f)(vii), respectively, of this Indenture. Notwithstanding anything to the contrary contained in this Indenture, and as provided in the related Series Indenture, Derivative Payments payable by the Authority pursuant to a Derivative Agreement, other than with respect to Subordinate Bonds, may be secured by and payable from moneys on deposit in the Debt Service Account and the Subordinate Bond Accounts, on a parity with, or, as provided in the related Series

Supplemental Indenture, subordinate to interest payments on related Bonds; provided, however, in no event shall any such Derivative Payments be paid with any amounts drawn under the credit facility or bond insurance policy securing the related Bond or remarketing proceeds derived from the related Bonds. Derivative Payments may include insurance premiums or insurance of the Authority's obligation to make such payments, as provided in the related Series Indenture.

### ARTICLE III

#### REDEMPTION OF BONDS

**Section 3.01 Redemption of Bonds.** The Bonds issued under the provisions of this Indenture shall be made subject to redemption, both in whole and in part and at such times and Redemption Prices, as may be provided in the applicable Series Indenture. Term Bonds shall be made subject to sinking fund redemption pursuant to their Sinking Fund Installments on the dates and during the period during which such Sinking Fund Installments are in effect, as established in the applicable Series Indenture.

The Trustee (or Master Paying Agent, if one is appointed and serving) shall select the Bonds or portions of Bonds to be redeemed or purchased in accordance with this Indenture and the applicable Series Indenture. Except as otherwise stated in the related Series Indenture, money shall, upon an Authority Request to the Trustee and the Master Paying Agent accompanied by a Compliance Certificate or Cash Flow Certificate, as appropriate, be applied by the Trustee (or Master Paying Agent, if one is appointed and serving) to the purchase or the redemption of Bonds selected from among the Series (and subseries, if applicable), maturities and interest rates on the basis specified by the Authority in that Authority Request. Except as otherwise provided in a Series Indenture, the Authority Request relating to each redemption of Bonds shall be filed with the Trustee and the Master Paying Agent at least five (5) days prior to the date notice of redemption (or, if no such notice is required pursuant to a Series Indenture, five (5) days prior to the date fixed for redemption) is to be given pursuant to Section 3.02 (or such other period set forth in a Series Indenture) or such lesser number of days as shall be acceptable to the Trustee and the Master Paying Agent.

Except as otherwise provided in a Series Indenture, if less than all of the Bonds of one Series (and subseries, if applicable) and one maturity bearing the same interest rate (and otherwise of like tenor) are to be redeemed, the particular Bonds of such Series (and subseries if applicable) and maturity bearing the same rate of interest (and otherwise of like tenor) to be redeemed shall be selected not later than five (5) days prior to the date notice of redemption is required to be given pursuant to Section 3.02 and the related Series Indenture to registered Owners of Bonds to be redeemed (or, if no such notice is required pursuant to a Series Indenture, five (5) days prior to the date fixed for redemption), or such other period set forth in a Series Indenture, or such lesser number of days as shall be acceptable to the Trustee and the Master Paying Agent in such manner as directed by the Authority. Except as otherwise provided in a Series Indenture, if no such direction is received by the Trustee (or Master Paying Agent, if one is appointed and serving), it shall select the Bonds to be redeemed by lot or in such other manner as it in its discretion may determine. The portion of Bonds of any Series (and subseries, if applicable) to be redeemed shall be in the minimum principal amount or some integral multiple of such minimum principal amount established for such Bonds in the applicable Series Indenture, and in selecting Bonds for redemption, the Trustee (or Master Paying Agent, if one is appointed and serving) shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by such minimum principal amount.

Except as otherwise provided in a Series Indenture, if less than all of the Term Bonds Outstanding of any one maturity of a Series (or subseries, if applicable) are purchased for cancellation or called for redemption (other than in satisfaction of Sinking Fund Installments), the principal amount of such Term Bonds that are so purchased or redeemed shall be credited, to the extent practicable, except as otherwise provided in an Authority Request, against all remaining Sinking Fund Installments for the Term Bonds of such Series (and subseries, if applicable) and maturity in the proportion which the then remaining balance of each such Sinking Fund Requirement bears to the total of all Bonds of such Series (and subseries, if applicable) and maturity then Outstanding. A Master Paying Agent shall notify the Trustee in writing of its selection of Bonds to be redeemed as provided in this Section and the Trustee shall provide the Master Paying Agent with all necessary information as to the Outstanding Bonds for that selection to be made.

**Section 3.02 Redemption Notice.** Except as provided in a Series Indenture, at least twenty (20) days but not more than ninety (90) days before the redemption date of any Bonds, the Trustee (or Master Paying Agent, if

one is appointed and serving) shall cause a notice of any such redemption, either in whole or in part, signed by the Trustee (or Master Paying Agent, if one is appointed and serving) to be mailed, first class postage prepaid, to all registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Trustee (or Master Paying Agent, if one is appointed and serving). Each such notice shall set forth the date fixed for redemption, the Redemption Price to be paid, the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds then Outstanding are called for redemption, the Series (or subseries), the maturities and the distinctive numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount to be redeemed. The notice of redemption may be conditional. If conditional, the notice shall set forth in summary terms the conditions precedent to such redemption and that if such conditions have not been satisfied on or prior to the redemption date, such notice shall be of no force and effect and such Bonds shall not be redeemed. If such conditions are not satisfied, or if the Authority by written notice to the Trustee and Master Paying Agent given prior to the date fixed for redemption revokes the redemption (other than a mandatory redemption), the redemption shall not be made and the Trustee (or Master Paying Agent, if one is appointed and serving) shall within a reasonable time give notice to the affected Owners, in the manner in which the notice of redemption was given, that such conditions were not satisfied. An affidavit of the Trustee (or Master Paying Agent, if one is appointed and serving) of mailing the notice of redemption shall be conclusive and binding upon the Authority and owners of the Bonds. Once notice is sent in accordance with the provisions of this Indenture, it shall be effective whether or not received by a Bondowner. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond of the same maturity and series (and subseries, if applicable), bearing interest at the same rate and in principal amount equal to the unredeemed portion of such Bond, will be issued. A Bondowner may waive its right to receive notice pursuant to this Section. Failure to send any required notice of redemption, or any defect in such notice, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond.

**Section 3.03 Effect of Selection for Redemption.** On the designated redemption date, if (i) the conditions precedent, if any, to such redemption have been satisfied, (ii) the required notice, if any, has been given or waived, and (iii) with respect to a redemption other than a mandatory redemption, sufficient money to pay the Redemption Price and accrued interest are held by the Trustee or Master Paying Agent in trust for the Owners of the Bonds or portions of Bonds to be redeemed, the Bonds or portions of Bonds so selected for redemption shall become and be due and payable at their Redemption Price, such Bonds or portions of Bonds shall cease to be Outstanding under the provisions of this Indenture, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture and the Owners of such Bonds or portions of Bonds shall have no other rights except to receive payment of the Redemption Price and the accrued interest on such Bonds to the date of redemption and, to the extent provided in Section 3.04 of this Indenture, to receive Bonds for any unredeemed portion of Bonds.

**Section 3.04 Redemption of Portion of Bond.** If part but not all of an Outstanding Bond is selected for redemption, the Owner of such Bond or the Owner's agent or legal representative shall present and surrender such Bond (with, if the Authority or the Trustee (or Master Paying Agent, if one is appointed and serving) so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Trustee (or Master Paying Agent, if one is appointed and serving) duly executed by the Owner or the Owner's agent or legal representative) to the Trustee (or Master Paying Agent, if one is appointed and serving) for payment of the principal amount so selected for redemption. The Authority shall execute and the Trustee (or Master Paying Agent, if one is appointed and serving) shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge, a new Bond for the unredeemed portion of the principal amount of the Bond so surrendered. Such new Bond shall be issued in any denomination or denominations authorized by this Indenture at the option of such Owner or the Owner's agent, shall be of the same maturity and Series (and subseries, if applicable), shall bear interest at the same rate and shall otherwise be of same tenor as the Bond partially redeemed.

## ARTICLE IV

### APPLICATION OF REVENUES AND OTHER MONEY

**Section 4.01** **Establishment of Funds and Accounts.** The following Funds and Accounts are established, each of which (other than the Acquired Development Fund) shall be held by the Trustee:

- Program Fund
  - Series Program Accounts
- Revenue Fund
  - Debt Service Account
  - Special Receipts Account
  - Redemption Account
  - Subordinate Bond Accounts
- Reserve Fund
- Acquired Development Fund
- Rebate Fund
  - Series Rebate Accounts

Additional Funds and Accounts may be created and designated in Series Indentures, including as provided in Section 2.09 of this Indenture. The full designation of each such Fund and Account shall include the term “Illinois Housing Development Authority Multifamily Revenue Bonds,” which term shall precede the designation as set forth above. Each such Fund and Account shall be held by the Trustee (other than the Acquired Development Fund), in trust, separate and apart from all other funds of the Authority, for the purposes provided in this Indenture. In Series Indentures or Supplemental Indentures establishing Authority Program Accounts, the Authority may provide for the deposit of amounts in Funds and Accounts, which amounts shall be subject to the lien of this Indenture, if so designated, in the amounts and for the purposes and period of time set forth in the applicable Series Indenture or Supplemental Indenture.

**Section 4.02** **Program Fund.** (a) For each Series of Bonds there shall be a Series Program Account in the Program Fund. Except as may be provided by a Series Indenture for Subordinate Bonds, amounts received upon the sale of a Series of Bonds shall be deposited in the Program Fund and credited to the related Series Program Account in the amount, if any, provided in the applicable Series Indenture. In addition, amounts shall be deposited in the Program Fund from the Revenue Fund as provided in Sections 4.03(b), 4.03(e) and 4.03(f)(vi) of this Indenture and shall be credited to the Series Program Account as specified in the Authority Request directing the transfer. Amounts available from or upon the refunding of Authority bonds shall be deposited in Funds and Accounts as provided in the applicable Series Indenture. For a series of bonds issued as convertible option bonds there may be a Series Program Account (COB Rate Period) and a Series Program Account (Fixed Rate Period) as provided in the Series Indenture.

(b) Amounts in a Series Program Account shall be used to pay Costs of Issuance of the related Series of Bonds, or to reimburse the Authority for Costs of Issuance, in either case in the amount specified in or pursuant to the Series Indenture, upon a requisition stating generally the nature and amount of those Costs of Issuance signed by an Authorized Representative.

(c) Amounts in Series Program Accounts other than amounts used or to be used to pay Costs of Issuance shall be applied by the Trustee to finance the purposes for which such Series of Bonds were issued as specified in the Series Indenture.

(d) Except as may be provided by a Series Indenture, the Trustee shall transfer unexpended amounts in a Series Program Account to the Revenue Fund to the credit of the Redemption Account, or to the Reserve Fund, in either case as specified by an Authority Request.

(e) The Trustee shall transfer amounts from the Program Fund to the Debt Service Account as provided in Sections 4.03(a) and 4.09 of this Indenture, or to the Rebate Fund upon an Authority Request.

(f) The Trustee shall transfer amounts in a Series Program Account for Bonds refunded in whole or in part by Bonds to the Series Program Account for the refunding Bonds, if so directed by the Series Indenture for the refunding Bonds.

(g) The Authority may establish an Authority Program Account by Series Indenture or Supplemental Indenture and in such Series Indenture or Supplemental Indenture may provide for the deposit of monies of the Authority (other than the existing Trust Estate) into the Authority Program Account. Upon their deposit in an Authority Program Account, such monies will be Contributed Assets. Amounts in Authority Program Accounts shall be applied by the Trustee to finance Loans (the characteristics of which conform to the related Authority Program Determination) or as otherwise provided in the applicable Authority Program Determination or Series Indenture.

(h) The Trustee shall transfer unexpended amounts in an Authority Program Account to the Authority as specified in an Authority Request accompanied by a Ratings Certificate.

**Section 4.03 Revenue Fund.** (a) The Authority shall immediately transfer all Revenues received by it, other than Acquired Development Operating Income, to the Trustee. Acquired Development Operating Income shall be deposited in the Revenue Fund as provided in Section 4.10 of this Indenture. All Revenues received by the Trustee shall be deposited in the Revenue Fund. The Trustee shall transfer to and deposit in the Revenue Fund all amounts transferred to it from the Program Fund as provided in Sections 4.02(d) and 4.02(e) of this Indenture or from the Reserve Fund as provided in Section 4.09 of this Indenture and shall credit those amounts to the Accounts as specified in those Sections, except as otherwise provided in a Series Indenture or Supplemental Indenture. Amounts received upon the sale of a Series of Bonds shall be deposited in the Revenue Fund in the amount, if any, provided in the applicable Series Indenture, for credit to the Debt Service Account to pay debt service as specified in the Series Indenture.

(b) Except as provided in a Series Indenture, the Authority shall identify and notify the Trustee in writing of the amount of any Revenues which are Acquired Bond Redemption Receipts, Loan Prepayments or Recovery Payments. Those Revenues shall be credited to the Special Receipts Account. Except as may be limited by a Series Indenture, amounts in the Special Receipts Account may be transferred at any time upon an Authority Request to the Redemption Account, the Debt Service Account or, upon filing with the Trustee a Cash Flow Certificate, any Series Program Account or an Authority Program Account.

(c) All Derivative Payments with respect to any Subordinate Bonds shall be credited to the related Subordinate Bond Account of the Revenue Fund.

(d) At any time, upon Authority Request, the Trustee shall apply amounts in the Revenue Fund not credited to any Account in the Fund to pay the accrued interest portion of the cost of acquiring any Loan or Acquired Bond consistent with the related Series Indenture.

(e) Upon their receipt, the Authority shall notify the Trustee as to any amounts which have been received for accrued interest with respect to Loans made or acquired, or Acquired Bonds acquired, from amounts which were expended from a Series Program Account or Authority Program Account (to the extent not so funded from a transfer from the Revenue Fund). The Trustee shall transfer those amounts to the credit of the applicable Series Program Account or Authority Program Account.

(f) On or prior to each debt service payment date for the Bonds (including any date of redemption pursuant to Sinking Fund Installments or other mandatory redemption requirements that are payable from the Debt Service Account) or any due date of Derivative Payments by the Authority payable from the Revenue Fund the Trustee shall credit or transfer all amounts in the Revenue Fund not in any Account in the Revenue Fund to the credit of Funds and Accounts, in the following priority:

(i) credit to the Debt Service Account, an amount sufficient, together with amounts on deposit in that Account, timely to pay interest and principal, at maturity or mandatory redemption (pursuant to Sinking Fund Installments or any other mandatory redemption requirements), due on



such debt service payment date on the Bonds, other than Subordinate Bonds, to pay any fees in connection with tender option features, letter of credit, standby bond purchase agreements and other forms of credit or liquidity related to such Bonds as set forth in the Series Supplemental Indenture or a Supplemental Indenture and to pay any Derivative Payments related to such Bonds payable from the Revenue Fund on a parity with interest on the Bonds (other than Subordinate Bonds) due on such debt service payment date as set forth in the Series Indenture or a Supplemental Indenture;

(ii) transfer amounts to the Rebate Fund for Series Rebate Accounts for Bonds other than Subordinate Bonds as set forth in an Authority Request;

(iii) pay Expenses specified in a Series Indenture, or such other Expenses as may be provided in an Authority Request accompanied by a Compliance Certificate or Cash Flow Certificate, as applicable;

(iv) transfer to the Reserve Fund, an amount sufficient to cause the amount on deposit in that Fund, including Cash Equivalents permitted by a Series Indenture, to equal the Reserve Requirement;

(v) credit to the Redemption Account an amount as specified in an Authority Request;

(vi) transfer to any Series Program Account or Authority Program Account in the Program Fund an amount as specified in an Authority Request accompanied by a Compliance Certificate or Cash Flow Certificate, as appropriate;

(vii) credit to any Subordinate Bond Accounts, an amount sufficient together with amounts on deposit in that Account, established by a Series Indenture for Subordinate Bonds, timely to pay interest and principal, at maturity or mandatory redemption, due on such succeeding debt service payment date on the Subordinate Bonds, to pay any fees in connection with tender option features, letters of credit, standby bond purchase agreements and other forms of credit or liquidity related to such Bonds as set forth in the Series Indenture or a Supplemental Indenture and to pay any Derivative Payments related to such Bonds due on such debt service payment date as set forth in the Series Supplemental Indenture or a Supplemental Indenture, or to provide any reserve with respect to Subordinate Bonds; or

(viii) pay to the Authority, for any other purpose authorized or required under the Act free and clear of the pledge and lien of this Indenture. No such payment shall be made except upon filing of a Compliance Certificate or Cash Flow Certificate, as appropriate;

(g) In addition, at any time the Trustee shall, upon Authority Request, apply amounts in the Revenue Fund not credited to any Account for the following purposes:

(i) to make required arbitrage rebates together with amounts in the Rebate Fund to the United States as required by the Code.

(ii) to the purchase of Bonds at the times, in the manner and for the purposes set forth in Section 4.05 of this Indenture.

(iii) to pay Expenses, upon filing a Compliance Certificate or a Cash Flow Certificate.

**Section 4.04 Debt Service Account.** (a) The Trustee shall, on each principal and interest payment date, including for mandatory redemptions (including mandatory redemptions pursuant to Sinking Fund Installments or other mandatory redemption requirements that are payable from the Debt Service Account) withdraw from the Debt Service Account and pay to the Master Paying Agent, if one is appointed and serving, by wire transfer (or other method of transfer acceptable to the Authority and the Master Paying Agent or as provided in Series Indentures) the amounts required for making all payments then due from the Debt Service Account as described in Section 4.03(f). The Trustee

(or Master Paying Agent, if one is appointed and serving) shall remit by mail or as otherwise provided in the Series Indentures to each Owner of Bonds, other than Subordinate Bonds, the amounts required for paying the interest on such Bonds as such interest becomes due and payable. Amounts for paying principal shall be held in trust by the Trustee (or Master Paying Agent, if one is appointed and serving) for paying that principal. The Trustee (or Master Paying Agent, if one is appointed and serving) shall remit to any credit or liquidity provider, as described in Section 4.03(f)(i), its fees in connection with such credit or liquidity arrangement. The Trustee (or Master Paying Agent, if one is appointed and serving) shall remit to the counterparty under a Derivative Agreement, as described in Section 4.03(f)(i), the Derivative Payments due to the counterparty under the Derivative Agreement. An Authorized Representative of the Authority shall advise the Trustee (or Master Paying Agent, if one is appointed and serving) in writing regarding the amount of any such liquidity fees and Derivative Payments and when payment is due.

**Section 4.05**     **Purchase of Bonds from Revenue Fund.** Amounts on deposit in the Revenue Fund and not credited to any Account in it may be applied as applicable to the purchase of Term Bonds of each Series then Outstanding subject to Sinking Fund Installments on the next date in such year. Such payments are scheduled as provided in this Section. The Trustee (or Master Paying Agent, if one is appointed and serving), upon an Authority Request, shall endeavor to purchase from such amounts the Term Bonds or portions of Term Bonds of each Series stated to mature on the next maturity date or to be redeemed pursuant to Sinking Fund Installments for Term Bonds of such Series then Outstanding.

(a)     Subject to applicable law, the Trustee (or Master Paying Agent, if one is appointed and serving) may pay a purchase price for any such Bond in excess of the Redemption Price which would be payable on the next redemption date to the Owner of such Bond under the provisions of the applicable Series Indenture if an Authorized Representative so directs to the Trustee and the Master Paying Agent. The Trustee shall pay the interest accrued on such Term Bonds or portions of Term Bonds to the date of settlement for the Term Bonds from the Revenue Fund. No such purchase of a Bond shall be made by the Trustee after the giving of notice of redemption as to that Bond by the Trustee. Purchased Bonds shall be cancelled by the Trustee, unless otherwise directed by the Authority.

**Section 4.06**     **Subordinate Bond Account(s).** Amounts on deposit in the Revenue Fund to the credit of any Subordinate Bond Account(s) shall be applied as provided in the Series Indenture authorizing those Bonds.

**Section 4.07**     **Use of Amounts in Redemption Account.** The Trustee shall apply money in the Redemption Account for the purchase or redemption of Bonds as follows:

(a)     The Trustee (or Master Paying Agent, if one is appointed and serving), upon Authority Request accompanied by evidence that a Compliance Certificate or a Cash Flow Certificate, as appropriate, has been filed with the Trustee, shall endeavor to purchase, from such amounts, Bonds or portions of Bonds then Outstanding, whether or not such Bonds or portions of Bonds shall then be subject to redemption, to the owners of such Bonds if such Bonds or portions of Bonds should be selected for redemption. Such maximum purchase price may exceed the Redemption Price if so directed by the Authority, subject to applicable law. The interest accrued on such Bonds to the date of settlement shall be paid from the Debt Service Account or the Revenue Fund (not credited to any Account in it), but no such purchase shall be contracted for by the Trustee (or Master Paying Agent, if one is appointed and serving) after the Trustee (or Master Paying Agent, if one is appointed and serving) has given notice that such Bonds have been called for redemption except from money other than the money set aside in the Redemption Account or other Account established by Series Indenture for the redemption of such Bonds.

(b)     The Trustee (or Master Paying Agent, if one is appointed and serving), upon Authority Request accompanied by evidence that a Compliance Certificate or Cash Flow Certificate, as appropriate, has been filed with the Trustee, shall select Bonds for redemption, on the earliest practicable date on which those Bonds are subject to redemption, from money in the Redemption Account, and, with respect to interest on such Bonds payable upon redemption, the Debt Service Account or the Revenue Fund (not credited to any Account in it).

(c)     Upon an Authority Request amounts in the Redemption Account not required for redemption of Bonds for which notice of redemption has been given or for payment of a contract for purchase

of Bonds, shall be transferred to any Account of the Program Fund, upon filing with the Trustee either a Compliance Certificate or Cash Flow Certificate, if appropriate, or to the Revenue Fund and not in an account.

**Section 4.08**     **Reserve Fund.** The Authority shall deposit amounts in the Reserve Fund as provided in the Series Indentures and as provided in Sections 4.02(d) or 4.03 of this Indenture. Except as provided in a Series Indenture, the Trustee shall transfer money held in the Reserve Fund to the Debt Service Account, pursuant to Section 4.09, to be applied to pay the principal of and interest on the Bonds other than Subordinate Bonds or payments under Derivatives relating to Bonds, other than Subordinate Bonds, to the extent no other funds (other than the Program Fund) are available for that purpose. The Reserve Fund may be funded in whole or in part through Cash Equivalents. Amounts held in the Reserve Fund as of any date in excess of the Reserve Requirement, taking into account any Cash Equivalents in the Reserve Fund, shall upon an Authority Request, be transferred to the Revenue Fund or a Series Program Account, unless otherwise provided in the Series Indenture. A Series Indenture may provide that the Series Reserve Requirement with respect to the applicable Series of Bonds may be funded in whole or in part through Cash Equivalents.

**Section 4.09**     **Deficiencies in Debt Service Account.** Except as provided in a Series Indenture, including a Separately-Secured Indenture, in the event that amounts in the Debt Service Account are insufficient on any interest payment date or principal payment date of redemption pursuant to Sinking Fund Installments (or other mandatory redemption requirements that are payable from the Debt Service Account, as provided in a Series Indenture), or due date of Derivative Payments that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture pursuant to Section 10.01(i) of this Indenture), to pay the principal of and interest on the Bonds (but only for Bonds other than Subordinate Bonds) due and unpaid on such date, whether at the stated payment or maturity date or by the retirement of such Bonds in satisfaction of the Sinking Fund Installments or such other mandatory redemption requirements, and to pay such Derivative Payments due and unpaid on such date, the Trustee shall withdraw amounts from the following Funds and Accounts in the following order of priority to the extent necessary to eliminate such deficiency:

- (a)     Revenue Fund (not credited to any Account);
- (b)     Special Receipts Account;
- (c)     Redemption Account;
- (d)     Reserve Fund;
- (e)     Program Fund; and
- (f)     Special Program Fund (first from amounts restricted therein to the payment of debt service on Bonds and second from unrestricted amounts therein).

No amounts on deposit in the Revenue Fund being held to pay the Redemption Price of Bonds called for redemption or purchase shall be used for such purpose to the extent that such amounts have been set aside for the payment of Bonds which have been identified for purchase or selected for redemption, and no amounts on deposit in any Series Program Account shall be used for such purpose to the extent that the Authority is contractually obligated to finance identified Loans or Acquired Bonds or other purposes acceptable for financing with amounts on deposit in that Series Program Account.

**Section 4.10**     **Acquired Development Fund.** The Acquired Development Fund shall be held by the Authority. It shall be held separate and apart from all other funds and accounts of the Authority and investments of the Acquired Development Fund shall not be commingled with any other investments of the Authority. All Acquired Development Receipts shall be deposited in and held in the Acquired Development Fund and may be used to pay Acquired Development Expenses.

The Authority at any time may, and not less than two days prior to the date any interest or principal payments or Derivative Payments are due on or with respect to any Bonds, other than Subordinate Bonds, shall, transfer all Acquired Development Operating Income to the Revenue Fund.

**Section 4.11 Money Sufficient to Purchase or Redeem Bonds.** Except as provided in a Series Indenture (including a Separately-Secured Indenture), whenever money and securities held for the credit of the Revenue Fund, the Reserve Fund and the Special Program Fund (excluding amounts in the Special Program Fund not restricted to payment of debt service on Bonds unless the Authority otherwise directs that such amounts be applied for such purpose) are sufficient to pay, purchase or redeem all Bonds in whole on the next succeeding interest payment date, the Trustee shall apply such money, upon receipt of an Authority Request requesting such application, to the payment, purchase or redemption of the Bonds in accordance with Section 11.01 of this Indenture.

**Section 4.12 Money Held in Trust.** All money which the Trustee or Master Paying Agent has withdrawn or set aside for the purpose of payment of principal, interest or Redemption Price of any of the Bonds secured by this Indenture, either at their maturity or upon call for redemption, shall be held in trust for the respective Owners of such Bonds and such money shall not be subject to lien or attachment by any creditor of the Authority or the Trustee or Master Paying Agent, except as provided in a Series Indenture. Any money that is so set aside by the Trustee or Master Paying Agent and which shall remain unclaimed by the Owners of such Bonds for the period of two (2) years after the date on which such Bonds or the interest on such Bonds shall become due and payable shall upon written request be paid to the Authority or to such officer, board or body as may then be entitled by law to receive it. Thereafter the Owners of such Bonds shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest on such amounts, and the Trustee or Master Paying Agent shall have no responsibility with respect to such money.

**Section 4.13 Purchase, Redemption and Cancellation of Bonds.** (a) Upon the retirement of any Bonds by purchase or redemption, the Trustee shall file with the Authority a statement briefly describing such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest on them. The expenses in connection with the purchase or redemption of any such Bonds shall be paid pursuant to Section 4.03(f)(iii) or Section 4.03(g) of this Indenture, except as provided in a Series Indenture. Subject to paragraph (b) of this Section, all Bonds paid, redeemed or purchased, either at or before maturity, shall be cancelled upon the payment, redemption or purchase of such Bonds and shall be delivered to the Trustee when such payment, redemption or purchase is made. All Bonds cancelled under any of the provisions of this Indenture shall be destroyed by the Trustee or Master Paying Agent in accordance with its customary procedures. The Trustee (or Master Paying Agent, if one is appointed and serving) shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee or Master Paying Agent.

(b) Notwithstanding paragraph (a) of this Section, subject to applicable law, Bonds purchased with amounts in any Fund or Account under this Indenture or any Series Indenture or with other moneys of the Authority shall not be cancelled by reason of such purchase to the extent that upon such purchase the Authority shall have delivered to the Trustee (i) a Certificate of an Authorized Representative to the effect that such Bonds are being purchased with the intention that they will not be cancelled and (ii) if interest on such Bonds is intended to be excluded from the gross income of the recipient thereof for federal income tax purposes, a Bond Counsel Opinion to the effect that the failure to cancel such Bonds, in and of itself, will not adversely affect such exclusion.

**Section 4.14 Rebate Fund.** The Rebate Fund shall be used to make arbitrage rebate payments as provided by Authority Request or, to the extent determined by the Authority not to be needed for that purpose, shall be transferred to the Revenue Fund, upon Authority Request, except as provided in a Series Indenture.

**Section 4.15 Exchange of Money and Securities.** Upon Authority Request, the Trustee shall exchange money and/or Permitted Investments on deposit in any Fund or Account for an equal amount of money and/or Permitted Investments on deposit in any other Fund or Account or in any fund or account held under another bond resolution or indenture of the Authority.

**Section 4.16 Special Program Fund.** (a) At the direction of an Authorized Representative, the Trustee shall deposit in the Special Program Fund any cash, securities, loans, investments or other property of the Authority provided by the Authority and not otherwise pledged hereunder. While on deposit in the Special Program Fund, such cash, securities, loans, investments or other property shall be held in trust pursuant to Section 5.01 hereof and pledged hereunder.

(b) Notwithstanding the provisions of Section 5.02 hereof, any moneys held in the Special Program Fund may be invested or reinvested in such securities, loans or other investments as may be directed by an Authorized Representative, which may include Permitted Investment or securities (or participation interests) referred to in the definition of Mortgage-Backed Securities, but is not restricted thereto unless otherwise provided in a Series Indenture or Supplemental Indenture. Any interest or income earned with respect to any said securities, loans or other property shall likewise be retained in the Special Program Fund or upon the filing of an Authority Request released to the Authority, except as otherwise provided herein. Any such investment shall be in accordance with Illinois law, including without limitation the Public Funds Investment Act, 30 ILCS 235.

(c) If on any date payments are required to be made from the Debt Service Account and there are not sufficient funds in the Debt Service Account to make such payments, the Trustee shall, after applying the prior sources as set forth in Section 4.09, withdraw (i) from the Special Program Fund amounts restricted for transfer to the Debt Service Account pursuant to this Section and (ii) to the extent necessary, from the unrestricted amounts in the Special Program Fund, and to the extent of such amounts transfer to the Debt Service Account such available amounts as are necessary to provide sufficient funds for the required transfers from the Debt Service Account.

(d) At any time that no Event of Default exists, at the direction of an Authorized Representative, the Trustee shall withdraw from the Special Program Fund and pay to the Authority, free and clear of the lien of this Indenture, such amounts, securities, loans, investments or other property as shall be specified therein, including any interest or income earned thereon, unless otherwise restricted by a Series Indenture or Supplemental Indenture.

(e) Upon the filing with the Trustee of an Authority Request, the Authority may create a lien on all or any part of the moneys, securities, loans, investments or other property held in the Special Program Fund, and not otherwise restricted by a Series Indenture or Supplemental Indenture or previous Authority Request, to secure any obligation of the Authority under this Indenture, including, without limitation, all Outstanding Bonds, a particular class of Outstanding Bonds or a particular series of Bonds, and, if so specified in such Authority Request, such lien shall be prior to the lien on the otherwise unrestricted moneys, securities, loans, investments or other property in the Special Program Fund granted by this Indenture to the Trustee in favor of the Outstanding Bonds.

**Section 4.17 Trustee Payment of Expenses.** (a) The Authority grants to the Trustee, and the Trustee retains at all times, an interest in the Trust Estate, sufficient to enable the Trustee to make any payments to be made by it as provided in this Section. This interest is not in limitation of the ability of the Authority to sell or otherwise dispose of Loans and to expend amounts in Funds and Accounts as provided in this Indenture. However, the right of the Trustee to use unexpended amounts in the Revenue Fund to make payments of Expenses, as provided in this Section, shall have priority over any payment of amounts in the Revenue Fund to the Authority.

(b) If the Trustee, in its sole discretion, shall conclude that the Authority for any reason, including without limitation, its inability to act, has failed timely to pay any of the Expenses described in clause (i) of the definition thereof in Section 1.01 of this Indenture relating to the Trustee or the Program and that such failure, if not corrected, has resulted or may result in an Event of Default, the Trustee may at any time itself apply any amounts in the Revenue Fund (which are or would be available for payment of Expenses under Sections 4.03(f)(iii), 4.03(f)(vii) and 4.03(h) of this Indenture) to pay any such Expenses other than general administrative expenses of the Authority, including, without limitation, the following:

- (i) the fees or expenses of the Trustee;

- (ii) costs of servicing Loans and of realizing on any Loan upon any default;
  - (iii) costs of maintaining all necessary records with respect to the Trust Estate, preparing any necessary cash flow projections and complying with any covenant in this Indenture or any Series Indenture, including any tax covenant;
  - (iv) any payments required to comply with any tax covenants; and
  - (v) any other expenses determined by the Trustee, in its sole discretion, to be necessary or appropriate to maintain the value of the Trust Estate.
- (c) The Authority shall give the Trustee written notice if for any reason it fails or is unable timely to pay any Expenses. The Trustee shall give the Authority written notice of any payment of Expenses under this Section.
- (d) Any powers given the Trustee in this Section are in addition to and not in lieu of or in limitation on any other rights or remedies of the Trustee under this Indenture, except that to the extent Section 7.06 applies, payments received by the Trustee shall be applied as provided in Section 7.06 and not this Section.

## ARTICLE V

### DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 5.01** Security for Deposits. Any and all money held by the Trustee or the Master Paying Agent under this Indenture, except as otherwise expressly provided in this Indenture, shall be held in trust, shall be applied only in accordance with provisions of this Indenture and shall not be subject to any lien, charge or attachment by any creditor of the Authority.

All money deposited with the Trustee in any Account or Fund created under this Indenture shall, until invested in Permitted Investments in accordance with Section 5.02 of this Indenture, to the extent such deposits are in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured for the benefit of the Authority and the Owners of the Bonds either (i) by lodging with a bank, trust company or national banking association or trust company selected by the Authority as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank, trust company or national banking association holding such deposit as collateral security, Government Obligations or, with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States of America, having a market value at all times (exclusive of accrued interest) not less than the amount of such deposit or (ii) if the furnishing of security as provided in clause (i) of this Section is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. However, it shall not be necessary, except as otherwise provided in this Indenture, for the Trustee to give security for any money which shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Trustee pursuant to this Indenture shall be credited to the particular Account or Fund to which such money belongs.

**Section 5.02** Investment of Money. Other than money deposited in the Special Program Fund, which shall be invested as provided in Section 4.16 hereof, money deposited with the Trustee under this Indenture shall, as nearly as is practicable, be fully and continuously invested or reinvested by the Trustee upon the direction of an Authorized Representative (promptly confirmed by delivery of an Authority Request) in Permitted Investments which shall be in such amounts and bear interest at such rates that sufficient money will be available to pay the principal and interest due on the Bonds and to make required Derivative Payments and shall mature, or which shall be subject to

redemption by the holder at the option of the holder, at such times that sufficient money will be available for the purposes intended. The Trustee may conclusively rely on such an investment direction with respect to the suitability and legality of such investments, in accordance with the terms of this Indenture. In the absence of investment instructions from the Authority, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Permitted Investments. The Trustee upon receipt of an Authority Request shall sell Permitted Investments and reinvest the proceeds in Permitted Investments meeting the requirements of this Indenture or apply the proceeds as provided in this Indenture.

Any Permitted Investments so purchased in any Account or Fund shall be deemed at all times to be part of such Account or Fund. Except as may be provided in a Series Indenture with respect to a Series Program Account, any interest paid on the investment in any Account or Fund (except the Rebate Fund and the Acquired Development Fund) shall be credited to the Revenue Fund and shall be treated as Revenues. Any interest paid on the investment of the Rebate Fund shall be credited to the Rebate Fund and interest paid on the investment of the Acquired Development Fund shall be paid to that Fund. Any profit or loss resulting from an investment shall be credited to or charged against the applicable Account or Fund of which it is an investment. The Trustee shall sell or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide money to meet any payment or transfer from any such Account or Fund. The Trustee when authorized by an Authorized Representative may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, may charge its ordinary and customary fees for such trades, including investment maintenance fees, and may trade with itself in the purchase and sale of securities for such investment. Neither the Trustee nor the Authority shall be liable or responsible for any loss resulting from any such investment.

For the purposes of making any investment, the Trustee may consolidate money in any Fund or Account with money in any other Fund or Account and may transfer an interest in an investment from one Fund or Account to another without liquidating the investment.

Except as may be provided in a Series Indenture with respect to the Reserve Fund, in computing the amount on deposit to the credit of any Account or Fund, Permitted Investments in such Account or Fund shall be valued at Amortized Value plus the amount of interest on such obligations purchased with money in such Account or Fund.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that confirmations of investments made by the Trustee pursuant to this Section 5.02 are not required to be issued by the Trustee for each month in which a monthly statement is rendered pursuant to Section 8.06. No such statement need be rendered pursuant to the provisions of this Section if no activity occurred in the fund or account during such preceding month.

## ARTICLE VI

### PARTICULAR COVENANTS AND PROVISIONS

**Section 6.01** **Security Interests.** (a) As security for the payment of interest on and principal of and the redemption premium, if any, of the Bonds, subject to the Series Indentures and subject to application as provided in this Indenture and as supplemented by Series Indentures, and subject to the rights of the Authority specified in the Indenture, the Authority pledges and assigns and grants a lien on and security interest to the Trustee in all:

- (i) Funds and Accounts held by the Trustee and all deposits and investments of those Funds and Accounts (other than the Rebate Fund);
- (ii) Acquired Bonds (which shall be registered in the name of the Trustee);
- (iii) Revenues; and
- (iv) all right, title and interest of the Authority in and to the Loans and the documents evidencing and securing the Loans and rights of the Authority to the payments of amounts in connection with Loans to the extent the payments would be included in Revenues, including, to the

extent they may be so pledged, any right to governmental subsidies payable to the Authority to be used to pay principal of or interest on Loans, and also all security for the pledged rights in Loans including, without limitation, mortgages, assignments of rents and other security interests and agreements and, if applicable, liquidation proceeds and insurance proceeds.

The Trust Estate may be applied as provided in or pursuant to this Indenture, except as provided with respect to any Series Indenture. The Trust Estate also includes all Contributed Assets, except as provided in Section 4.16 of this Indenture. The Trust Estate does not include amounts required under federal income tax law to be paid as rebate to the United States. The pledge of Funds and Accounts established in a Series Indenture may be limited in purpose and time, as set forth in the Series Indenture.

(b) To the extent provided in a Series Indenture instruments evidencing Loans or security for Loans shall be deposited with the Trustee. The Trustee shall have no duty to examine any of these instruments and documents but only to retain them on deposit or apply them as provided in this Indenture. Loans, and the security for them are subject to release by the Trustee to the Authority upon an Authority Request in connection with a sale, a disposition, an enforcement action, a restructuring of a Loan by the Authority as provided in paragraph (c) of this Section of this Indenture.

(c) Notwithstanding the assignment, pledge and grant in this Section, the Authority shall, except as may be provided in a Series Indenture, have the right to sell, encumber, or dispose of Acquired Bonds or Loans as provided in this Indenture and shall have the right to restructure and enforce Loans in such manner as determined by the Authority in its discretion consistent with the provisions of this Indenture, including the ability to compromise, and release security for, Loans.

(d) Any pledge, assignment, lien and security interest made pursuant to this Indenture and any Series Indenture shall be valid and binding and effective upon its being made or granted, or upon property becoming subject to it, without any physical delivery, filing, recording or further act. The pledge, assignment, lien and security interest shall be valid and binding as against, and shall be superior to any claims of any others having claims of any kind against the Authority or any other person, irrespective of whether such other parties have notice of the pledge, assignment, lien or security interest other than as may otherwise be required by law in the case of any interest in real property.

(e) Except for the issuance of Bonds pursuant to this Indenture, the Authority shall not make or grant any pledge, assignment, lien or security interest in any of the Trust Estate which is senior to or on a parity with the security provided by this Indenture. Except with respect to Subordinate Bonds, and except as expressly provided in or pursuant to this Indenture or any Series Indenture, all security for the Bonds under this Indenture shall be for the equal and proportionate benefit of the obligations of the Authority on all Bonds; provided, however, that a Series of Bonds may be further secured by a credit facility, a bond insurance policy or other further security not applicable to any one or more other Series of Bonds, as shall be provided by the applicable Series Indenture in addition to the security provided in this Indenture.

(f) Except as may be limited by a Series Indenture, upon all Bonds of any Series that financed or continued the financing of any particular Loan or Loans having been paid or treated as paid under this Indenture, the pledge, assignment, lien and security interest of the Trustee with respect to that Loan or Loans and any security for it or them shall be released to the Authority subject to compliance with Section 6.07(a)(v) of this Indenture. Except as may be limited by a Series Indenture, upon all Bonds of any Series that have financed the acquisition of Acquired Bonds, or that refinanced such Bonds, having been paid or treated as paid under this Indenture, the pledge, assignment, lien and security interest of the Trustee with respect to those Acquired Bonds shall be released and those Acquired Bonds shall be registered as the Authority shall direct, but subject to compliance with Section 6.07(a)(v) of this Indenture.

**Section 6.02 Payment of Principal, Interest and Premium.** The Authority covenants that it will promptly pay, but only from the Trust Estate, the principal of and interest, if any, on each and every Bond issued under the provisions of this Indenture at the places, on the dates and in the manner specified in this Indenture, the Series Indentures and the Bonds. The Authority covenants that it will pay, but only from the Trust Estate, any premium required for the retirement of Bonds by purchase or redemption according to their true intent and meaning. The Bonds



are not general obligations of the Authority. The State is not liable on the Bonds and the Bonds are not a debt of the State.

**Section 6.03 Covenant to Perform Obligations Under this Indenture.** The Authority covenants that it will faithfully perform at all times all covenants, undertakings, stipulations, provisions and agreements contained in this Indenture, each Series Indenture and in each Bond.

**Section 6.04 No Extension of Maturities or Claims for Interest.** The Authority will not directly or indirectly extend or assent to the extension of the time for the payment of any principal of or interest on any Bond and will not directly or indirectly be a party to any arrangement for that purpose without the consent of any Bondowner materially adversely affected by the arrangement.

**Section 6.05 Further Instruments and Actions.** The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplemental indentures and such further acts, instruments and transfers as may be necessary or desirable to confirm, make effective or otherwise implement the pledge, assignment, lien and security interest granted by this Indenture or any Series Indenture.

**Section 6.06 Maintenance of Security.** The Authority covenants that, except as otherwise expressly permitted by this Indenture as supplemented by Series Indentures, it will not sell, convey, mortgage, encumber or otherwise dispose of the money or investments held for the credit of any Fund or Account created under this Indenture, or the Revenues.

**Section 6.07 Rating Certificate; Compliance Certificates and Cash Flow Certificates.** (a) Prior to taking any of the following actions the Authority shall file with the Trustee a Rating Certificate, except as provided in a Series Indenture:

(i) issuing any Series of Bonds (except no Rating Certificate is required for the initial Series of Bonds);

(ii) making any supplement or amendment to a Series Indenture as provided in Section 2.09(c) of this Indenture;

(iii) entering into any Derivative Agreement relating to any Series of Bonds after the date of issuance of such Bonds;

(iv) remarketing any Bonds in connection with a change in tender period except as required at the time of their issuance; or

(v) releasing the pledge, assignment, lien or security interest of this Indenture in Loans or Acquired Bonds as provided in Section 6.01(e) of this Indenture.

(b) Prior to taking any of the following actions, the Authority shall file with the Trustee either a Compliance Certificate or a Cash Flow Certificate, as appropriate, except as provided in a Series Indenture:

(i) any purchase or redemption of Bonds (other than mandatory redemption pursuant to Sinking Fund Installments or other mandatory redemptions as provided in a Series Indenture, purchases of Bonds as provided in Section 4.05 of this Indenture, and purchases of Bonds as provided in Section 4.05 of this Indenture) and any purchase or redemption of Bonds that is consistent with the assumptions set forth in the most recently filed Cash Flow Certificate),

(ii) any withdrawal of amounts from the Revenue Fund pursuant to Sections 4.03(f)(iii), 4.03(f)(v), 4.03(f)(vi), 4.03(f)(viii) or 4.07(c) of this Indenture,

(iii) any amendment, encumbrance, sale or other disposition of any Loan or Acquired Bond not in default or any restructuring or compromising of any Loan,

(iv) any use of Acquired Bond Redemption Receipts, Prepayments or Recovery Payments for any use other than purchase or redemption of Bonds or payment of scheduled debt service, or

(v) any material change in any operating policies or assumptions set forth in the most recent Cash Flow Certificate.

(c) A Compliance Certificate with respect to any action is a certificate of an Authorized Representative stating that the action complies with the operating policies of the Authority as set forth in the then current Cash Flow Certificate.

(d) A Cash Flow Certificate is a certificate of an Authorized Representative stating that, as shown in the cash flow projections included in the certificate and based upon the assumptions stated in the certificate, there will at all times be available sufficient amounts in the Funds and Accounts, timely to pay all principal of and interest on the Bonds, and to make Derivative Payments under the assumptions stated in the Certificate for each set of cash flow scenarios as described below. Except as provided in the Series Indenture, a Cash Flow Certificate for Bonds which are not Subordinate Bonds need only show the sufficiency of amounts so as to pay debt service and to make Derivative Payments for Bonds which are not Subordinate Bonds. The Cash Flow Certificate shall include projections of the amounts available for payment of debt service on Bonds and of Derivative Payments under the assumptions stated in the Certificate each then current cash flow scenario and the assumptions used in computing the projections.

The Cash Flow Certificate shall set forth various cash flow scenarios, that is, sets of stated assumptions including, without limitation, the following:

(i) the timing and amounts of prepayments;

(ii) the timing and amounts of the receipt of payments of scheduled principal of and interest on Loans and Acquired Bonds;

(iii) the investment return on Funds and Accounts;

(iv) availability of amounts in the Reserve Fund;

(v) Expenses to be paid; and

(vi) the form of any Supplemental Coverage.

The Cash Flow Certificate shall also include a set of operating policies setting forth rules or limitations to be followed with respect to discretionary activities of the Authority under this Indenture and Series Indentures. Cash flow projections shall take into account the financial position of the Loans and Acquired Bonds as of the stated date of the projection, shall be consistent with this Indenture and the Series Indentures and shall assume compliance with the operating policies set forth in the Cash Flow Certificate and the various Series Program Determinations.

(e) A copy of each Cash Flow Certificate and Compliance Certificate filed with the Trustee shall also be provided to each Rating Agency prior to the Authority taking any of the actions set forth in paragraph (b) of this Section 6.07 and, for actions described in paragraph (b)(ii) and (b)(iii) of this Section 6.07 at least 10 days prior to taking such action.

**Section 6.08 Tax Covenants.** The Authority shall at all times comply with the applicable tax covenants contained in any applicable Series Indenture and in any tax certificate of the Authority related to a Series of Bonds.

**Section 6.09**     **Enforcement of Rights Under Loans.** Notwithstanding any pledge, assignment or grant of a lien on or security interest in any Loan or Acquired Bonds, the Authority covenants to enforce all rights and obligations under and pursuant to the Loans and the Acquired Bonds as necessary to obtain payment of amounts to be paid to the Trustee as due and to comply with the Act and all covenants with regard to federal income taxation of interest on Bonds, and agrees that the Trustee, in the name of the Authority, whether or not an Event of Default exists, may enforce all rights of the Authority under and pursuant to the Loans and the Acquired Bonds for and on behalf of the Bondowners pursuant to Section 7.04 of this Indenture. The Trustee shall be under no obligation to service Loans itself, but shall use its best efforts at the expense of the Authority to obtain servicing for the Loans to the extent that the Authority informs the Trustee in writing, or the Trustee concludes upon an Event of Default, that the Authority is unable to perform or obtain such servicing.

**Section 6.10**     **Section 6.10. Maintenance of Corporate Existence of Authority.** The Authority shall at all times use its best efforts to maintain its corporate existence and to maintain, preserve and renew all its rights, powers, privileges and franchises, and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, administrative or judicial body applicable to this Indenture and any Series Indenture.

**Section 6.11**     **Books and Records.** (a) The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and applications of all money received by the Trustee under this Indenture, and such books shall be available for inspection by the Authority and any Bondowner during business hours, upon reasonable notice and under reasonable conditions.

(b)       On or before the tenth business day of each month the Trustee shall furnish to the Authority in accordance with Section 8.06 of this Indenture a written statement of the Funds and Accounts held pursuant to this Indenture and any Series Indenture.

(c)       The Authority shall keep proper books of records and account for all its transactions, other than those recorded in the books maintained by the Trustee pursuant to subsection (a) of this Section 6.11, and such books shall be available for inspection by the Trustee and any Bondowner during business hours and upon reasonable notice.

**Section 6.12**     **Annual Audit.** The Authority shall annually, within 120 days of the end of each Fiscal Year, file with the Trustee and each Rating Agency a copy of its audited financial statements for its previous Fiscal Year, accompanied by the related report of an Accountant. The Trustee shall have no duty to review, analyze or verify such financial statements and shall hold such financial statements solely as a repository for the benefit of the Bondholders. The Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

**Section 6.13**     **Notice of an Event of Default.** The Authority shall promptly notify the Trustee in writing of the occurrence of an Event of Default.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**Section 7.01**     **Extend Principal or Interest Payment.** Neither the Trustee nor the Authority shall consent or agree directly or indirectly to extend the time for payment of any principal or interest on any Bond, except as permitted hereunder. In case the time for the payment of the principal of or interest on any Bond shall be extended, whether or not such extension be by or with the consent of the Authority, such principal or interest so extended shall not be entitled in case of default under this Indenture to the benefit or security of this Indenture unless the principal of and interest on all Outstanding Bonds (the time for the payment of interest which has not been extended) is paid in full.

**Section 7.02**     **Events of Default.** An “Event of Default” occurs if:

(a)     payment of interest on or the principal or Redemption Price of any of the Bonds is not made when due and payable; or

(b)     default in the due and punctual performance of any other covenants or agreements contained in the Bonds or in this Indenture or any Series Indenture and such default continues for ninety (90) days after written notice requiring the default to be remedied, has been given to the Authority by the Trustee. The Trustee may give such notice in its discretion and shall give such notice at the written request of the owners of not less than twenty-five percent (25 %) in aggregate principal amount of Bonds then Outstanding. However, if such default can be remedied, so long as following such notice the Authority is diligently taking actions to remedy such default, such default shall not be an Event of Default.

An Event of Default with respect to Subordinate Bonds is not an Event of Default on Bonds which are not Subordinate Bonds. For purposes of determining the percentages of Owners of Bonds as provided in this Indenture, only Bonds other than Subordinate Bonds shall be taken into account unless the Event of Default relates only to Subordinate Bonds in which case the percentage relates only to Subordinate Bonds. In the case of an Event of Default relating only to Subordinate Bonds any acceleration or other remedy shall relate only to Subordinate Bonds.

It shall not be an Event of Default for the Authority to fail to foreclose upon or otherwise to enforce its rights to payment under Loans to the extent the Authority applies other monies (other than withdrawals from the Reserve Fund) sufficient to make all required payments due from the Debt Service Account.

**Section 7.03**     **Acceleration of Maturity.** Upon the happening and continuance of any Event of Default under paragraph (a) of Section 7.02 (except as may be limited in a Series Indenture, as set forth in the last paragraph of Section 7.04 of this Indenture), then and in every such case the Trustee may and, subject to Section 8.02 of this Indenture, upon the written direction of the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds and receipt of indemnification satisfactory to the Trustee shall, by notice in writing to, the Authority, declare the principal of all the Outstanding Bonds (if not then due and payable) to be due and payable immediately. Upon such declaration, the principal of all Outstanding Bonds shall become immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding. However, if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, money shall have accumulated in the Debt Service Account sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Outstanding Bonds (except the principal and interest of any Bonds which have become due and payable by reason of such declaration and except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and the Authority and all other amounts then payable by the Authority under this Indenture have been paid or a sum sufficient to make that payment has been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement or provision contained in the Bonds or in this Indenture (except a default in the payment of the principal of such Bonds then due and payable only because of a declaration under this Section) has been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds not then due and payable by their terms shall, by written notice to the Authority, rescind and annul such declaration and its consequences. No such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent to it. If an Event of Default applies to Bonds other than Subordinate Bonds then any reference in this Section to Bonds is to Bonds that are not Subordinate Bonds. If an Event of Default applies to Subordinate Bonds, then reference to this Section to Bonds is to Subordinate Bonds.

**Section 7.04**     **Enforcement of Remedies.** Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written direction of the Owners of not less than twenty-five percent (25 %) in aggregate principal amount of the Outstanding Bonds shall proceed, subject to the provisions of Section 8.02 of this Indenture, to protect and enforce its rights and the rights of the Bondowners under applicable laws or under this Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained

in this Indenture or in aid or execution of any power granted in this Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture the Trustee shall be entitled (i) to sue for, enforce payment of and recover judgment for, in its own name as Trustee of an express trust, any and all amounts then or after any default becoming, and at any time remaining, due from the Authority for unpaid principal, premium, if any, interest or otherwise under any of the provisions of this Indenture or the Bonds, with, to the extent permitted by the applicable law, interest on overdue payments of principal of and interest at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and (ii) to recover and enforce any judgment or decree against the Authority, but solely as provided in this Indenture, the Series Indenture and the Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect, in any manner provided by law, the money adjudged or decreed to be payable.

If a covenant is set forth in a Series Indenture, limitations on the remedies available upon an Event of Default related to such covenant may be set forth in such Series Indenture.

**Section 7.05 Trustee May File Claim In Bankruptcy.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Authority, its property or creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable or by declaration or otherwise and irrespective of whether the Trustee has made any demand on the Authority for the payments equal to overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal, and premium, if any, and interest in respect of the Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondowners allowed in such judicial proceeding; and

(b) to collect and receive any money or other property payable or deliverable on any such claims and to distribute them;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is authorized by each Bondowner to make such payments to the Trustee, and if the Trustee consents to the making of such payments directly to the Bondowners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Sections 8.02 and 8.05 of this Indenture.

**Section 7.06 Pro Rata Application of Funds.** Notwithstanding anything in this Indenture to the contrary, but subject to the terms of a Series Indenture (including a Separately-Secured Indenture), if at any time the money in the Funds and Accounts (other than the Rebate Fund) maintained under this Indenture is not sufficient to pay the principal of or interest on the Bonds as they become due and payable (either by the terms of the Bonds or by acceleration of maturities under the provisions of Section 7.03 of this Indenture) and Derivative Payments payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture) such money, together with any money then or later available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, following the satisfaction of any payments due to the Trustee under the provisions of Sections 8.02 and 8.05 of this Indenture and payment of such Expenses as the Trustee concludes shall enhance the value of the Trust Estate, as follows:

(a) If the principal of all the Bonds (other than Subordinate Bonds) has not become or has not been declared due and payable, all such money shall be applied:

first: to the payment of all installments (except interest on overdue principal) of interest on Bonds, other than Subordinate Bonds and Derivative Payments that are payable from the Revenue Fund on a parity with interest on Bonds then accrued and unpaid in the chronological order in which such installments of interest and such Derivative Payments accrued and, if the amount available is not sufficient to pay in full any particular installment and all such Derivative Payments accruing on the same date as such installment, then to the payment, ratably, according to the amounts due on such installment and the amounts of such Derivative Payments, on Bonds other than Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and the Derivative Agreements under which such Derivative Payments are due, other than Subordinate Bonds;

second: to the payment of all Derivative Payments that are subordinate to payment of interest on Bonds and are then accrued and unpaid in the chronological order in which such Derivative Payments accrued and, if the amount available is not sufficient to pay in full all such Derivative Payments accruing on any date, then to the payment, ratably, according to the amounts of such Derivative Payments accruing on the such date, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Derivative Agreements under which such Derivative Payments are due;

third: to the payment of the unpaid principal of any of the Bonds, other than Subordinate Bonds, which have become due and payable (except Bonds other than Subordinate Bonds selected for redemption for the payment of which, money is held pursuant to the provisions of this Indenture) in the order of their stated payment dates (including dates of redemption pursuant to Sinking Fund Requirements or pursuant to other mandatory redemption requirements that are payable from the Debt Service Account as provided in a Series Indenture), with interest on the principal amount of such Bonds, other than Subordinate Bonds, at the respective rates specified in such Bonds from the respective dates upon which such Bonds, other than Subordinate Bonds, became due and payable, and, if the amount available is not sufficient to pay in full the principal of the Bonds, other than Subordinate Bonds, by their stated terms due and payable (including by redemption pursuant to Sinking Fund Requirements or such other mandatory redemption requirements) on any particular date together with such interest, then (1) to the payment first of such interest, ratably, according to the amount of such interest due on such date, and (2) to the payment of such principal, ratably, according to the amount of such principal due on such date, of Bonds, other than Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, other than Subordinate Bonds;

fourth: to the payment of the interest on and the principal of the Bonds, other than Subordinate Bonds, to the purchase and retirement of Bonds, other than Subordinate Bonds, and to the redemption of the Bonds, other than Subordinate Bonds, all in accordance with the provisions of Article III of this Indenture;

fifth: to the payment of interest (except interest on overdue principal) on Subordinate Bonds and payments with respect to Derivative Payments that are payable on a parity with interest on Subordinate Bonds then accrued and unpaid in the chronological order in which such installments of interest accrued and, if the amount available is not sufficient to pay in full any particular installment or such Derivative Payment, then to the payment, ratably, according to the amounts due on such installment or such Derivative Payment, of Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds;

sixth: to the payment of the unpaid principal of any of the Subordinate Bonds which has become due and payable (except Subordinate Bonds called for redemption for the payment of which, money is held pursuant to the provisions of this Indenture) in the order of their stated payment dates, with interest on the principal amount of such Subordinate Bonds at the respective rates specified in such Subordinate Bonds from the respective dates upon which such Subordinate Bonds became due and payable, and, if the amount available is not sufficient to pay in full the principal of the Subordinate Bonds by their stated terms due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date on such Subordinate Bonds, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, of Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds;

seventh: to the payment of the interest on and the principal of the Subordinate Bonds, to the purchase and retirement of Subordinate Bonds and to the redemption of Subordinate Bonds.

(b) If the principal of all the Bonds has become or has been declared due and payable, all such money shall be applied first, to the payment of the principal and premium, if any, and interest then accrued and unpaid upon the Bonds which are not Subordinate Bonds, and Derivative Payments that are payable from the Revenue Fund on a parity with interest on Bonds (as provided in a Series Indenture or in a Supplemental Indenture) without preference or priority of principal over interest or of interest over principal, or of principal and interest over such Derivative Payments or of such Derivative Payments over principal and interest, or of any daily accrual of interest or Derivative Payments over any other daily accrual of interest or Derivative Payments, or of any Bond or Derivative Payment over any other Bond or Derivative Payment, or of any daily accrual of interest over any other daily accrual of interest, or of any Bond which is not a Subordinate Bond over any other Bond which is not a Subordinate Bond, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to the respective rates of interest specified in the Bonds which are not Subordinated Bonds, and the Derivative Agreements under which such Derivative Payments are due and second, to the payment of the principal and premium, if any, and interest then accrued and unpaid upon the Subordinate Bonds, without preference or priority of principal over interest or of interest over principal, or of any daily accrual of interest over any other daily accrual of interest, or of any Subordinate Bond over any other Subordinate Bond, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to the respective rates of interest specified in the Subordinate Bonds and to the payment of all Derivative Payments that are subordinate to payment of interest on Bonds (as provided in a Series Indenture or in a Supplemental Indenture) and are then accrued and unpaid, without preference or priority of any daily accrual Derivative Payments over any other daily accrual of Derivative Payments, or of Derivative Payment over any other Derivative Payment, ratably, according to the amounts due, without any discrimination or preference except as to the respective rates of interest specified in the Derivative Agreements under which such Derivative Payments are due.

(c) If the principal of all the Bonds has been declared due and payable and if such declaration has been rescinded and annulled under the provisions of Section 7.03 of this Indenture, then, subject to the provisions of subsection (b) of this Section 7.06 if the principal of all the Bonds later becomes or is declared to be due and payable, the money remaining in and later accruing to the Debt Service Account, any Subordinate Bond Debt Service Account of the Revenue Fund and the Reserve Fund, together with any other money held by the Trustee under this Indenture, shall be applied in accordance with the provisions of subsection (a) of this Section 7.06, except as provided in a Series Indenture.

The provisions of subsections (a), (b) and (c) of this Section 7.06 are in all respects subject to the provisions of Section 7.01 of this Indenture and each Series Indenture.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section 7.06, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The deposit of such money with any paying agent, or otherwise setting aside such money, in trust for the proper purpose shall constitute proper application by the Trustee. The Trustee shall incur no liability to the Authority, to any Bondowner or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the money in accordance with the provisions of this Indenture. Whenever the Trustee exercises discretion in applying money, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

**Section 7.07** Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee or Bondowners on account of any Event of Default has been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights under

this Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

**Section 7.08 Owners of Majority in Principal Amount of Bonds May Control Proceedings.**

Notwithstanding anything in this Indenture to the contrary, but subject to the Series Indentures, the Owners of a majority in principal amount of the Bonds then Outstanding (other than Subordinate Bonds) shall have the right, subject to the provisions of Sections 7.11 and 8.02 of this Indenture, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee or exercising any trust or power conferred upon the Trustee, provided that such direction shall not be otherwise than in accordance with law, the provisions of this Indenture and the Act and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction. Nothing in this Section 7.08 shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners

**Section 7.09 Restrictions Upon Actions by Individual Bondowners.** (a) No Owner of any of the

Bonds shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or to enforce this Indenture or any Series Indenture unless such Owner previously has given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Owners of not less than fifteen percent (15%) in aggregate principal amount of the Bonds then Outstanding (other than Subordinate Bonds) have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Indenture or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred as a result, and the Trustee has refused or neglected to comply with such request within a reasonable time, except as provided in a Series Indenture. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy under it. However, notwithstanding the foregoing provision of this Section 7.09, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding (other than Subordinate Bonds) may institute any such suit, action or proceeding in their own names for the benefit of all Owners of Bonds, except as provided in a Series Indenture. Except as otherwise above provided, no one or more Owners of the Bonds secured by this Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right under it except in the manner provided in this Indenture or a Series Indenture. All suits, actions and proceedings at law or in equity shall be instituted and maintained in the manner provided and for the benefit of all Owners of such Outstanding Bonds. Any individual right of action or other right given to one or more of such Owners by law is restricted by this Indenture to the rights and remedies provided.

(b) Notwithstanding subsection (a) of this Section, nothing in this Article VII shall affect or impair the right of any Bondowner to enforce the payment of the principal of and interest on that Owner's Bond, or obligation of the Authority to pay the principal of and interest on each Bond to its Owner at the time and place expressed in such Bond.

**Section 7.10 Actions by Trustee.** All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the production of the Bonds in the trial or other proceeding relative to them, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all of the Owners of such Bonds, subject to the provisions of this Indenture and any Series Indenture.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under this Indenture, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings with such powers as the court making such appointment shall confer, whether or not any such amounts payable shall be deemed sufficient ultimately to satisfy the Bonds Outstanding.

**Section 7.11 Limitation on Trustee's Acquisition of Real Estate.** The Trustee shall not acquire possession of or take any other action with respect to any real estate securing any Loan or Acquired Bond, if as a result



of any such action, the Trustee would be considered to hold title to, to be a “mortgagee-in-possession of,” or to be an “Owner” or “operator” of any such real estate within the meaning of the Comprehensive Environmental Responsibility Cleanup and Liability Act of 1980, as amended from time to time, unless the Trustee has previously determined, based on a report prepared by a person who regularly conducts environmental audits, that:

(a) such real estate is in compliance with applicable environmental laws or, if not, that it would be in the best interest of the Owners of the Bonds to take such actions as are necessary for such real estate to comply with such laws; and

(b) there are not circumstances present at such real estate relating to the use, management or disposal of any hazardous wastes for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any federal, state or local law or regulation, or that if any such materials are present for which such action could be required, that it would be in the best economic interest of the Owners of the Bonds to take such actions with respect to such real estate.

The environmental audit report contemplated by this Section shall not be prepared by an employee or affiliate of the Trustee, but shall be prepared by a person who regularly conducts environmental audits for purchasers of commercial property, as determined (and, if applicable, selected) by the Trustee, and the cost of the audit shall be borne by the Authority or paid from the Trust Estate (as Expenses).

**Section 7.12 No Remedy Exclusive.** No remedy conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies provided. Each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or by law.

**Section 7.13 No Delay or Omission Construed to be a Waiver.** No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence in such default. Every power and remedy given by this Indenture to the Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

**Section 7.14 Waiver of Defaults.** The Trustee, upon written direction of the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, other than Subordinate Bonds, except as provided in a Series Indenture, shall waive any Event of Default, which in the opinion of those Owners has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by them under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture, but no such waiver shall extend to or affect any other existing or any subsequent Event or Events of Default or impair any rights or remedies consequent to it.

**Section 7.15 Notice of an Event of Default.** The Trustee shall send to the Authority and to all Bondowners by first class mail, postage prepaid, written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has received written notice of such Event of Default from the Authority, subject to the provisions of Section 7.08 of this Indenture and the provisions of any Series Indenture, that any such Event of Default has occurred. The Trustee shall not, however, be subject to any liability to any Bondowner by reason of a failure to mail any such notice.

**Section 7.16 Limitations on Remedies for Series of Bonds.** A Series Indenture authorizing a Series of Bonds which shall have bond insurance may provide limitations on remedies available with respect to those Bonds including, without limitation, acceleration of their maturity, without the consent of the bond insurer and may give the bond insurer rights of Owners of those Bonds with respect to remedies.

**Section 7.17 Right to Appoint Statutory Trustee Abrogated.** In accordance with the provisions of Section 17 of the Act, Sections 25 and 26 of the Act shall not apply to the Bonds.

## ARTICLE VIII

### CONCERNING THE TRUSTEE AND THE MASTER PAYING AGENT

**Section 8.01** Acceptance of Trusts and Duties. The Trustee accepts the duties and obligations and agrees to execute the trusts imposed upon it by this Indenture but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture. Prior to the occurrence of an Event of Default and after the curing of all Events of Default, the Trustee undertakes to perform only those duties as are specifically set forth in this Indenture and to perform such trusts as an ordinarily prudent trustee under a bond resolution or indenture. No implied covenants or obligations should be read into this Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee shall, subject to Section 8.02 of this Indenture, exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care a prudent person would exercise in the circumstances in the conduct of such person's own affairs. The Master Paying Agent shall signify its acceptance of the duties and responsibilities as Master Paying Agent by a written instrument of acceptance, filed with the Trustee and the Authority.

**Section 8.02** Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be named as a defendant, or to take any steps in the execution of the trusts created or in the enforcement of any rights and powers, until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity. In such case the Authority shall reimburse, from the Trust Estate (as Expenses), the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection with such action.

**Section 8.03** Limitation of Obligations and Responsibilities of Trustee or Master Paying Agent. The Trustee shall be under no obligation (i) to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, (ii) to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur or (iii) to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall be under no obligation to record or file this Indenture, or any other security instruments and financing statements, or continuation statements with respect to it, except pursuant to directions from the Authority, in form and substance satisfactory to the Trustee, set forth in an Authority Request. The Trustee and the Master Paying Agent shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment by the Authority of this Indenture, or in respect of the validity of the Bonds or their due execution or issuance. The Trustee shall be under no obligation to see that any duties imposed upon the Authority or any party other than itself, or any covenants on the part of any party other than itself to be performed, are done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed. The Trustee and the Master Paying Agent may execute any of the trusts or powers of this Indenture and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above and the Trustee and the Master Paying Agent shall be entitled to advice of counsel concerning all matters of trusts and duties under this Indenture, and may pay reasonable compensation to any lawyer or agent retained by it under this Indenture. The Trustee and the Master Paying Agent may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Authority, approved by the Trustee in the exercise of such care. The Trustee and the Master Paying Agent shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall not be answerable for other than its gross negligence or willful default. The Trustee may (but shall be under no duty to) require of the Authority full information and advice as to the performance of the covenants, conditions and agreements in this Indenture.

At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of the Authority pertaining to the Bonds, and to take such memoranda from and in regard to those books, papers and records, as may be desired.

All money received by the Trustee or the Master Paying Agent shall, until used or applied or invested as provided in this Indenture or a Series Indenture, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law, by this Indenture or a Series Indenture. The Trustee shall not be under any liability for interest on any money received under this Indenture except such as may be agreed upon with the Authority.

**Section 8.04 Trustee Not Liable for Failure of Authority to Act.** The Trustee and the Master Paying Agent shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act required of the Authority. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other money deposited with it and paid out, withdrawn or transferred if such application, payment, withdrawal or transfer is made in accordance with the provisions of this Indenture and Series Indentures. The immunities and exemptions from liability of the Trustee and the Master Paying Agent shall extend to its directors, officers, employees, attorneys and agents.

**Section 8.05 Compensation and Indemnification of Trustee.** Subject to the provisions of any contract between the Authority and the Trustee relating to the compensation of the Trustee, the Authority shall pay, from the Trust Estate, to the Trustee reasonable compensation for all services performed by it and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts created and the performance of its powers and duties, and from such source only, shall indemnify and save the Trustee harmless against any liabilities, losses, damages, costs and expenses (including attorney's fees and expenses of the Trustee), causes of action, suits, claims, demands and judgments of any kind and nature ("Losses") which it may incur in the exercise and performance of its powers and duties, except Losses resulting from the negligence or willful misconduct of the Trustee. Payment of compensation for the Master Paying Agent shall be by separate agreement. The indemnifications set forth herein shall survive the termination of this Indenture and/or the resignation or removal of the Trustee.

**Section 8.06 Monthly Statements from Trustee.** The Trustee shall, on or before the 10th day of each month, file with the Authority a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred by it and the amount deposited within or to the account of each Fund and Account held by it under the provisions of this Indenture and the Series Indentures;
- (b) the amount on deposit with it at the end of such month to the credit of each Fund and Account;
- (c) a brief description of all Permitted Investments held by it in each such Fund and Account;
- (d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and
- (e) any other information which the Authority may reasonably request.

All records and files pertaining to the trusts in the custody of the Trustee shall be open at all reasonable times to the inspection of the Authority and its agents and representatives.

**Section 8.07 Trustee May Rely on Certificates.** If at any time it is necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, the Trustee may rely conclusively upon any certificate, requisitions, opinion or other instrument required or permitted to be filed with it under the provisions of this Indenture. Any such instrument shall be conclusive evidence of such

fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Indenture, any request, notice, certificate or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by an Authorized Representative, and the Trustee may accept and rely upon a certificate signed by an Authorized Representative as to any action taken by the Authority.

**Section 8.08 Notice of Default.** Except upon the happening of any Event of Default specified in clause (a) of Section 7.02 of this Indenture, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default unless a Responsible Officer of the Trustee is specifically notified in writing of such Event of Default by the Authority or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds other than Subordinate Bonds as provided in a Series Indenture. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default.

**Section 8.09 Trustee and Master Paying Agent May Deal in Bonds.** The bank, trust company or national banking association acting as Trustee or Master Paying Agent under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, may join in any action which any Bondowner may be entitled to take with like effect as if such bank, trust company or national banking association were not the Trustee or Master Paying Agent under this Indenture, may engage or be interested in any financial or other transaction with the Authority and may maintain any and all other general banking and business relations with the Authority as if the Trustee were not a party to this Indenture. No implied covenant shall be read into this Indenture against the Trustee in respect of such matters.

**Section 8.10 Trustee and the Master Paying Agent Not Responsible for Recitals.** The recitals, statements and representations contained in this Indenture and in the Bonds (excluding the Trustee or Master Paying Agent's certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the Authority and not by the Master Paying Agent or the Trustee and the Master Paying Agent and the Trustee assumes and shall be under no responsibility for their correctness.

**Section 8.11 Trustee and the Master Paying Agent Protected in Relying on Certain Documents.**  
(a) The Trustee and the Master Paying Agent shall be protected and shall incur no liabilities in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture or any Series Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person to have been prepared and furnished pursuant to any of the provisions of this Indenture or any Series Indenture, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee or Master Paying Agent, as applicable, or to be qualified in relation to the subject matter, and the Trustee or Master Paying Agent shall be under no duty to make any investigation or inquiry as to any statement contained or matters referred to in such an instrument. The Trustee or Master Paying Agent shall not be under any obligation to see to the recording or filing of this Indenture or any Series Indenture.

(b) Notwithstanding anything to the contrary in this Indenture, but subject to the terms of any Series Indenture, the Trustee shall accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and any Series Indenture and complying with the requirements of this Indenture and such Series Indenture but delivered using Electronic Means, rather than in writing and signed by an Authorized Representative; provided, however, that the Trustee may at any time cease (or suspend) accepting Instructions delivered pursuant to Electronic Means with immediate effect by notice to the Authority; and provided further, however, that the Authority shall provide to the Trustee an incumbency certificate listing Authorized Representative with the authority to provide such Instructions and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. Because the Trustee cannot determine the identity of the actual sender of Instructions delivered using Electronic Means, the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. The Authority shall ensure that only Authorized Representatives transmit such

Instructions, and the Authority shall safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. As between the Authority and the Trustee, the Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**Section 8.12 Resignation and Removal of Trustee Subject to Appointment of Successor.** No resignation or removal of the Trustee or the Master Paying Agent and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.15.

**Section 8.13 Resignation of Trustee.** Subject to Section 8.12 of this Indenture, the Trustee may resign and thereby become discharged from the trusts, by notice in writing to be given to the Authority and mailed, first class, postage prepaid, to all registered Owners of Bonds at their addresses as they appear on the registration books kept by the Trustee, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee, if such new Trustee is appointed before the time limited by such notice and then accepts the trusts. No resignation of the Trustee shall be effective if an Event of Default, or any event which upon the passage of time would be an Event of Default has occurred and is continuing except upon the consent of Owners of a majority in principal amount of the Outstanding Bonds.

**Section 8.14 Removal of Trustee.** Subject to Section 8.12 of this Indenture, the Trustee may be removed at any time, upon not less than 30 days' written notice, by an instrument or concurrent instruments in writing executed by the Owners of not less than a majority in principal amount of the Outstanding Bonds (other than Subordinate Bonds) and filed with the Authority. A facsimile copy of each such instrument shall be delivered promptly by the Authority to the Trustee. Subject to Section 8.12 of this Indenture, the Trustee may also be removed at any time for reasonable cause by any court of competent jurisdiction upon the application of Owners of not less than ten percent (10%) in aggregate principal amount of the Outstanding Bonds (other than Subordinate Bonds). Subject to Section 8.12 of this Indenture, the Trustee may be removed at any time by the Authority if an Event of Default has not occurred and is continuing.

**Section 8.15 Appointment of Successor Trustee.** If at any time the Trustee resigns, be removed, be dissolved or otherwise become incapable of acting, or the bank, national banking association or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the Authority shall appoint a successor and shall cause notice of such appointment to be mailed, first class, postage prepaid, to all registered Owners of Bonds at their addresses as they appear on the registration books kept by the Trustee.

If no appointment of a successor Trustee is made pursuant to this Section within ten (10) days after the vacancy has occurred, the Owner of any Outstanding Bond (other than Subordinate Bonds) or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may, after such notice, if any, as such court may deem proper and prescribed, appoint a successor Trustee.

Any Trustee appointed under this Indenture shall be a bank, national banking association or trust company having a principal corporate trust office in the State, duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, of good standing, and having at the time of its appointment a combined capital and surplus aggregate not less than Fifty Million Dollars (\$50,000,000), as shown on its most recently published report of its financial condition.

**Section 8.16 Vesting of Trusts in Successor Trustee.** Every successor Trustee appointed shall execute, acknowledge and deliver to its predecessor and also to the Authority, an instrument in writing accepting such appointment. Each successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor. Such predecessor shall,

nevertheless, on the written request of its successor or of the Authority, and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to Section 8.05, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor. Every predecessor Trustee shall deliver all property and money held by it under this Indenture to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Any bank, national banking association or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee with or into which the bank or trust company acting as Trustee may be merged, converted or consolidated, or to which the corporate trust assets and business of such bank, national banking association or trust company may be sold, shall be deemed the successor of the Trustee without any further action.

**Section 8.17**     **Master Paying Agent.** During such time as there shall be a Master Paying Agent:

(i)           the Master Paying Agent shall perform all duties of the Trustee under the Indenture with respect to the authentication, registration, transfer, exchange, and delivery of Bonds, the disposition of Bonds upon payment and the payment to Bondowners of principal, and redemption price of and interest on Bonds; and

(ii)          all references in this Indenture and in each Supplemental Indenture to the Trustee with regard to any such duties shall refer instead to the Master Paying Agent and in that regard reference to an office of the Trustee shall refer instead to the comparable office of the Master Paying Agent.

**Section 8.18**     **Successor Master Paying Agent.** The Master Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 120 days' written notice to the Authority and the Trustee. The Master Paying Agent may be removed at any time by an instrument filed with it and the Trustee and signed by an Authorized Officer of the Authority. Any successor Master Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and surplus aggregating at least Five Million Dollars (\$5,000,000) and willing and able to accept the office of Master Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

**Section 8.19**     **Cooperation Among Master Paying Agent and Trustee.** The Trustee and Master Paying Agent shall cooperate to carry out their respective duties under this Indenture and shall provide the other with copies of all notices, reports and information necessary to the other.

## ARTICLE IX

### EXECUTION OF INSTRUMENTS BY BONDOWNERS, PROOF OF OWNERSHIP OF BONDS AND DETERMINATION OF CONCURRENCE OF BONDOWNERS

Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondowners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a)           The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who has legal power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of

a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signor.

(b) The ownership of Bonds is proved by the registration books kept under the provisions of Section 2.07 of this Indenture.

Nothing contained in this Article IX shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of these provisions of this Article IX, the Trustee shall not be required to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond is deposited with it.

## ARTICLE X

### SUPPLEMENTAL INDENTURES

**Section 10.01 Bondowners' Consent Not Required.** The Authority and the Trustee may, from time to time and at any time, enter into Supplemental Indentures:

- (a) To authorize the issuance of a Series of Bonds;
- (b) to cure any ambiguity or defect or omission in this Indenture; or
- (c) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondowners or the Trustee; or
- (d) to include as Revenues or in the Trust Estate any additional amounts, receipts or property;  
or
- (e) to cure any ambiguity, to correct or supplement any provision which may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under this Indenture, provided such action shall not materially adversely affect the interest of the Bondowners; or
- (f) to add to the covenants and agreements of the Authority in this Indenture additional covenants and agreements to be observed by the Authority or to surrender any right or power reserved to or conferred upon the Authority; or
- (g) to modify any of the provisions of the Indenture in any respect whatever not otherwise set forth in this Section 10.01, provided (i) such modification shall apply only to Series of Bonds issued after the effective date of the Supplemental Indenture and shall not materially adversely affect the interests of the owners of Bonds of any Series Outstanding on the effective date of the Supplemental Indenture or (ii) (A) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution of such Supplemental Indenture shall cease to be Outstanding and (B) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution of such Supplemental Indenture and of Bonds issued in exchange for, or in place of, such Bonds; or
- (h) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification of this Indenture and any Supplemental Indenture under the Trust Indenture Act of 1939 or any similar federal statute then in effect or under any state Blue Sky Law;  
or

(i) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Indenture or a Series Indenture; or

(j) to make any other change if either (i) such change, in the judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or (ii) such change relates to the security for the Bonds and there is filed with the Trustee a Rating Certificate with respect to such change; or

(k) to add to the definition of Permitted Investments pursuant to the last proviso of that definition in this Indenture; or

(l) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit a trustee (other than the Trustee) with respect to any Subordinate Bonds issued under this Indenture; or

(m) to amend in any manner consistent with Section 6.08 hereof any provisions in a Series Indenture for (i) a Reserve Requirement, (ii) the Series Program Determinations, (iii) the payment of Derivative Payments on a Derivative Agreement relating to that Series of Bonds from the Revenue Fund (and the priority of their payment as set forth in Section 2.12 of this Indenture), or (iv) the extent to which Derivative Payments with respect to that Series of Bonds are to be treated as Revenues; provided that there is filed with the Trustee (a) in each case, a Cash Flow Certificate or a Compliance Certificate, as appropriate, accompanied by a Rating Certificate, with respect to such amendment and (b) in the case of an amendment pursuant to clause (iii) or (iv), if interest on the Bonds of such Series is intended to be excluded from the gross income of the recipient thereof for federal income tax purposes, a Bond Counsel Opinion to the effect that such amendment, in and of itself, will not adversely affect such exclusion; or

(n) to make any other change if either (i) such change, in the judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or (ii) such change relates to the security for the Bonds and there is filed with the Trustee a Rating Certificate with respect to such change; or

(o) to provide for an issuance of Series of Bonds which are not on parity with the other Bonds issued under the Indenture.

**Section 10.02 Supplements and Amendments Requiring Consent.** This Indenture and any Supplemental Series Indenture may be modified, supplemented or amended by a Supplemental Indenture in ways not described in Sections 2.09(c) and 10.01, pursuant to this Section. No such Supplemental Indenture shall be effective except upon the consent of (i) the Owner of greater than fifty percent (50%) in aggregate principal amount of Outstanding Bonds (other than Subordinate Bonds); (ii) if less than all of the Outstanding Bonds are affected, of the Owners of greater than fifty percent (50%) in principal amount of Bonds then Outstanding, other than Subordinate Bonds so affected and, if Subordinate Bonds are affected, 50% of the aggregate principal amount of the Subordinate Bonds so affected; and (iii) in case the terms of any Sinking Fund Installments are changed, of the Owners of greater than fifty percent (50%) in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Installments. However, without the consent of all adversely affected Bondowners, no Supplemental Indenture shall (a) change the terms of redemption or of the maturity of the principal of or the interest on any Bond, or (b) reduce the principal amount of any Bond or the redemption premium or the rate of interest on it, or (c) create or grant a pledge, assignment, lien or security interest of the Trust Estate, or any part of it, other than as created or permitted by this Indenture without the Supplemental Indenture, or (d) create a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as may be permitted by this Indenture or (e) reduce the aggregate principal amount or classes of the Bonds required for consent to such Supplemental Indenture. If any such modification, supplement or amendment will by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Owners of those Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if it adversely affects or diminishes the rights of the Owner of Bonds of such Series. The Trustee may in its discretion determine whether Bonds of any particular Series and maturity would be affected by any modification,



supplement or amendment of this Indenture or a Supplemental Indenture and any such determination shall be binding and conclusive on the Authority and all Owners of Bonds.

The Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such Supplemental Indenture to be mailed, first class mail postage prepaid, to all affected Bondowners at their addresses as they appear on the registration books. Such notices shall summarize the proposed Supplemental Indenture and shall state that copies of it are on file at the principal office of the Trustee for inspection by all Bondowners. The Trustee shall not, however, be subject to any liability to any Bondowners by reason of its failure to mail the notice required by this Section 10.02, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section 10.02.

Whenever, at any time within one year after the date of the first mailing of such notice, the Authority delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than fifty-percent (50%) in aggregate principal amount of the affected Outstanding Bonds, other than Subordinate Bonds so affected and, if Subordinate Bonds are affected, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice and shall specifically consent to and approve the execution of it in substantially the form of the copy referred to in such notice, then, but not otherwise, the Trustee may perform its duties under such Supplemental Indenture in substantially such form, without liability or responsibility to any Bondowner, whether or not such Bondowner shall have consented to it.

If the required number of Owners at the time of the execution of such Supplemental Indenture have consented to and approved its execution, no Bondowner shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained in it or its operation, or in any manner to question the propriety of its execution, or to enjoin or restrain the Trustee or the Authority from executing it or from taking any action pursuant to its provisions.

The Authority may provide in any Series Indenture that Bondowners of all Bonds issued under that Series Indenture shall be deemed to have consented to a Supplemental Indenture, and if it so provides, the Bondowners from time to time of that Series of Bonds shall be deemed irrevocably to have consented to such a Supplemental Indenture for all purposes including the required percentage of Owners of Bonds required to consent.

**Section 10.03 Supplements and Amendments Deemed Part of Indenture.** Any Supplemental Indenture entered into in accordance with the provisions of this Article shall form a part of this Indenture. All of the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture.

**Section 10.04 Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as provided in this Article X may, and, if the Trustee or the Authority so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of the Bond for the purpose at the designated corporate trust office of the Trustee or upon any transfer of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any such transfer by the Trustee as to any such action, if the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding, shall be exchanged, without cost to such Bondowner, for Bonds then Outstanding, upon surrender of such Bonds for Bonds of the same Series and maturity then Outstanding.

**Section 10.05 Opinion.** In connection with a supplemental indenture under this Article X, the Authority shall deliver to the Trustee a Counsel's Opinion to the effect that such supplemental indenture is authorized and permitted pursuant to the terms of this Indenture.

## ARTICLE XI

### DEFEASANCE

**Section 11.01 Defeasance.** (a) If the Authority pays or causes to be paid, or there is otherwise paid, to the Registered Owners of the Bonds then Outstanding, the principal, redemption premium, if any, and interest to become due on them, at the times and in the manner stipulated in this Indenture and in the Series Indentures, then the covenants, agreements and other obligations of the Authority to the registered Owners of the Bonds shall be discharged and satisfied. In such event, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant to this Indenture which are no longer required for the payment or redemption of Bonds not already then surrendered for such payment or redemption and shall assign, transfer and convey to the Authority all its interest in Acquired Bonds and Loans.

(b) Bonds for the payment or redemption of which money has been set aside and held in trust by the Trustee or the related Master Paying Agent (through deposit by the Authority of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of and with the effect expressed in paragraph (a) of this Section. Except as provided in a Series Indenture, all Bonds or any of them shall, prior to their maturity or redemption date, be deemed to have been paid within the meaning of and with the effect expressed in paragraph (a) of this Section if:

(i) there is deposited with such Trustee or Master Paying Agents either money in an amount which is sufficient, or Government Obligations the principal of and interest on which when due will provide money which, without reinvestment, when added to the money, if any, deposited with such Trustee or Master Paying Agents at the same time, is sufficient to pay the principal of those Bonds at maturity, or on sinking fund installment dates for Term Bonds, or the principal, redemption premium, if any, and interest due and to become due on those Bonds on and prior to the redemption date or maturity date (or sinking fund installment dates for Term Bonds) of the Bonds, as the case may be;

(ii) there is deposited with the Trustee a report of an Accountant verifying the sufficiency of the deposit;

(iii) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Authority has given to the Master Paying Agent(s) irrevocable instruction to give any required notice of redemption, which instruction the Master Paying Agent has accepted in writing; and

(iv) the Authority has received a Bond Counsel Opinion to the effect that the defeasance of the Bonds shall not cause interest on the tax-exempt Bonds to be included in "gross income" of the registered Owners for federal income tax purposes if the Authority has covenanted in the Series Indenture not to take such action.

Upon being defeased as provided in this subsection (b), Bonds shall continue to be payable as to principal, interest and redemption premiums, if any, and to be subject to redemption, but shall have a claim for payment only with respect to the money or Governmental Obligations so held by the Trustee. The Authority may enter into an escrow agreement with the Trustee providing for funds to be so held.

(v) Government Obligations, money deposited with the Trustee pursuant to this Section and principal or interest payments of any such Government Obligations shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal (at maturity or upon redemption), redemption premium, if any, and interest on those Bonds, provided that any cash received from such principal or interest payments on such Government Obligations, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to pay when due the principal, redemption premium, if any, and interest to become due on those Bonds on and prior to such redemption date or maturity date of the Bonds, as the case may be.

**Section 11.02 Unclaimed Money.** Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date of deposit of such moneys if deposited with the Trustee after the date when the Bonds became due and payable shall, at the written request of the Authority, be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall then be released and discharged with respect to such amounts and the Owners of the Bonds shall look only to the Authority for the payment of such Bonds.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

**Section 12.01 Successorship of Authority; Effect of Covenants; Construction of Indenture.** All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture or any Series Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. All such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors of the Authority, and upon any officer, board, body, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement contained in this Indenture or any Series Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Authority in his or her individual capacity, and they shall not be liable personally on the Bonds or be subject to any personal liability or responsibility by reason of their issuance.

The laws of the State shall govern the construction of this Indenture and Series Indentures.

**Section 12.02 Manner of Giving Notice.** Any notice, demand, direction, request or other instrument authorized or required by this Indenture or any Series Indenture (unless otherwise provided in it) to be given to or filed with the Authority, or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture and a Series Indenture if made, given, furnished or filed in writing as follows and if and when delivered by hand or sent by first class mail, postage prepaid, return receipt requested, or sent by any delivery service which provides receipt for delivery, addressed as follows (unless changed by notice as later provided): (i)(a) to the Authority, if addressed to the Executive Director, 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611; and (b) to the Trustee or any Master Paying Agent, if addressed to it at its principal corporate trust office, or to any successor Trustee or Master Paying Agent, if addressed to it at its principal corporate trust office; (ii) in writing, sent by e-mail or facsimile addressed to the e-mail address or facsimile number provided by the Authority or the Trustee, as the case may be, as changed by notice from time to time, and an electronic confirmation of delivery has been obtained by the sender; provided, however, that if such delivery occurs a day that is not a business day or after 4:00 p.m., Central Standard Time on a business day, such delivery shall instead be deemed to have occurred on the next succeeding business day, or (iii) subject to Section 8.11(b) of this Indenture, sent to the Trustee by Electronic Means.

The Trustee shall, while Bonds remain Outstanding, retain in its possession all documents received by it under the provisions of this Indenture, subject at all reasonable times to the inspection of the Authority, any agency or officer of the State, any Bondowner, and the agents and representatives of each.

**Section 12.03 Parties and Bondowners Alone Have Rights Under Indenture.** Except as otherwise expressly provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Authority, the Trustee, the Master Paying Agents and the Owners of the Bonds any right, remedy or claim, legal or equitable, under or by reason of this Indenture. This Indenture and all its provisions is for the sole and exclusive benefit of its parties and the Owners from time to time of the Bonds.

**Section 12.04 Effect of Partial Invalidity.** In case any one or more of the provisions of this Indenture or a Series Indenture or other Supplemental Indenture, or of the Bonds, is for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture, any Series Indenture or the Bonds. This Indenture, any Series Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained in them. If any covenant, stipulation, obligation or agreement contained in the

Bonds, any Series Indenture or in this Indenture is for any reason be held to be in violation of law, then such covenant stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

**Section 12.05 Substitute for Mailing.** If, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it is impractical to mail notice of any event to Bondowners when such notice is required to be given pursuant to any provision of this Indenture or any Series Indenture any manner of giving notice as shall be satisfactory to the Trustee and the Authority shall be deemed to be a sufficient giving of such notice.

**Section 12.06 Headings, Table of Contents and Notes for Convenience Only.** Any heading preceding the text of the several articles of this Indenture or any Series Indenture and any table of contents or marginal notes appended to copies of it shall be solely for convenience of reference and shall not constitute a part of this Indenture or any Series Indenture, nor shall they affect its meaning, construction or effect.

**Section 12.07 Payment Due or Acts to be Performed on Weekends and Holidays.** If the date for making any payment of principal or premium, if any, or interest or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is a legal holiday or a day on which banking institutions in the city where the Trustee is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed, unless otherwise provided in a Series Indenture, with the same force and effect as if done on the nominal date provided in this Indenture.

**Section 12.08 Authority Request or Direction of Authorized Representative.** In connection with any Authority Request or direction of an Authorized Representative delivered under this Indenture, if such Authority Request or direction involves a calculation in which the outstanding principal balance of Loans is relevant, then such Authority Request shall include the amount of the outstanding principal balance of Loans, as of the relevant date.

**Section 12.09 Separately-Secured Bonds.** (a) An indenture entered into by and between the Authority and the Trustee authorizing the issuance of a series of bonds of the Authority may provide that such bonds shall be designated “Illinois Housing Development Authority Multifamily Revenue Bonds” but shall be subject to this Section 12.09 (each such indenture and the bonds of such series, a “Separately-Secured Indenture” and “Separately-Secured Bonds,” respectively).

(b) Separately-Secured Bonds shall not be considered Bonds for any purpose of this Indenture or any Series Indenture. Neither the Trust Estate under this Indenture, nor any property pledged under any Series Indenture, shall under any circumstances (including, but not limited to, upon the occurrence of an event of default under a Separately-Secured Indenture) be available for the payment of interest on or principal of or the redemption premium, if any, of Separately-Secured Bonds or for the payment of any other obligation under a Separately-Secured Indenture. No person shall have any right under this Indenture or any Series Indenture by reason of ownership of a Separately-Secured Bond.

(c) With respect to each Separately-Secured Indenture and the related Separately-Secured Bonds:

(i) Except as otherwise provided in such Separately-Secured Indenture, (A) the Bonds shall not be considered such Separately-Secured Bonds for any purpose of such Separately-Secured Indenture, (B) no property pledged under such Separately-Secured Indenture shall under any circumstances (including, but not limited to, upon the occurrence of an Event of Default under this Indenture) be available for the payment of (x) the payment of interest on and principal of and the redemption premium, if any, of Bonds issued under this Indenture and any Series Indenture or (y) any Expenses or Derivative Payments under this Indenture or any Series Indenture, and (C) no person shall have any right under such Separately-Secured Indenture by reason of ownership of a Bond.

(ii) Except as otherwise provided in such Separately-Secured Indenture, the provisions of this Indenture preceding this Section 12.09 (as such provisions exist on the date of execution and delivery of such Separately-Secured Indenture) shall be deemed incorporated into such Separately-Secured Indenture as if such provisions were set forth therein; provided that, for purposes of such Separately-Secured Indenture, each reference to “Bonds”, to “Funds and Accounts” and to the “Indenture” (or particular sections thereof) in such provisions shall be deemed to refer instead to, respectively, such Separately-Secured Bonds, the funds and accounts established in such Separately-Secured Indenture, and the provisions of the Indenture (or the particular referenced sections) as so incorporated in such Separately-Secured Indenture.

**Section 12.10 Pledge and Assignment of Additional Assets.** (a) Upon written direction of the Authority to the Trustee, the Authority may deposit with the Trustee, from time to time and at any time, and subject to the pledge and lien of this Indenture, additional unencumbered assets of the Authority in the form of cash and/or mortgage loans. The Authority may also confirm any prior transfer of unencumbered assets of the Authority in the form of cash and/or mortgage loans as being subject to the provisions of this Section.

(b) Any cash so deposited shall be held by the Trustee in a separate and segregated account of the Revenue Fund, entitled “Transferred Cash Component Account” and shall, while so held be available to the Authority for lending in accordance with the provisions of the Act. All mortgage loans originated from the amount on deposit in the Transferred Cash Component Account shall constitute “Loans” hereunder, and all proceeds of such Loans shall constitute “Revenues” hereunder. The Transferred Cash Component Account of the Revenue Fund shall be subject to the provisions of Section 6.01 hereof. In addition to being available to the Authority for the purposes of making mortgage loans under the Act, the Authority may direct the Trustee, from time to time and at any time, to transfer all or any portion of the amount on deposit in the Transferred Cash Component Account to any other Fund or Account hereunder.

(c) All mortgage loans transferred to the Trustee pursuant to paragraph (a) above, shall constitute “Loans” hereunder, and all proceeds of such Loans shall constitute “Revenues” hereunder.

(d) Notwithstanding anything in this Section to the contrary, the amount on deposit to the credit of the “Transferred Cash Component Account” may be applied by the Authority to the making of new mortgage loans, the acquisition of existing mortgage loans, the refinancing of existing mortgage loans or other obligations, the refunding of outstanding bonds of the Authority for the purpose of causing the transfer of existing mortgage loans and other assets (including related reserve funds and surplus cash equity) held as security for such bonds, and/or the payment of costs of issuing Bonds (and capitalized interest thereon) utilized by the Authority in effecting the foregoing purposes, all in accordance with the provisions of the Act. All mortgage loans originated from the amount on deposit in the Transferred Cash Component Account, as provided above, shall constitute “Loans” hereunder, and all proceeds of such Loans shall constitute “Revenues” hereunder.

(e) “Assigned Loans” shall constitute Loans held under this Section 12.10 (the “12.10 Loans”) the cash flow of which has been allocated to Bonds pursuant to a Supplemental Indenture, and “Unassigned Loans” shall be 12.10 Loans the cash flow of which has not been allocated to Bonds pursuant to a Supplemental Indenture. The Authority may assign Unassigned Loans to specific series of Bonds issued hereunder, even though such Loans shall remain as collateral for all Bonds issued under this Indenture.

(f) The Authority may issue Bonds hereunder to securitize any Unassigned Loans.

(g) The Authority may issue Bonds hereunder to reimburse the Transferred Cash Component Account for moneys expended in making or acquiring Loans.

(h) The Authority may issue Bonds hereunder to increase the liquidity of the Transferred Cash Component Account.

**Section 12.11 Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed on its behalf by its Executive Director and attested by its Secretary, and the seal of Authority to be affixed to it and duly attested; and the Trustee, to evidence its acceptance of the trust created under this Indenture, has caused this Indenture to be executed in its name by its duly authorized signatory, all as of the day and year first above written.

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

(SEAL)

ATTEST:

\_\_\_\_\_  
Assistant Secretary

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.,  
as Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX E

### FORM OF BOND COUNSEL OPINION

July 17, 2024

Illinois Housing Development Authority  
111 East Wacker Drive, Suite 1000  
Chicago, Illinois 60601

Ladies and Gentlemen:

We have acted as Bond Counsel to the Illinois Housing Development Authority (the “*Authority*”) and in such capacity have examined a certified copy of the record of proceedings of the Authority relating to the issuance by the Authority on the date hereof of its \$30,000,000 aggregate principal amount of Multifamily Revenue Bonds, 2024 Series C, consisting of \$7,400,000 principal amount of Multifamily Revenue Bonds, 2024 Series C-1 and \$22,600,000 principal amount of Multifamily Revenue Bonds, 2024 Series C-2 (collectively, the “*Bonds*”), including the authorization, execution and delivery of the Trust Indenture, dated as of September 1, 2016 (the “*General Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”) and the 2024 Series C Indenture, dated as of July 1, 2024 (together with the General Indenture, the “*Indenture*”), between the Authority and the Trustee.

From such examination, we are of the opinion that:

1. The Authority is a legally existing body politic and corporate of the State of Illinois.
2. Under the Illinois Housing Development Act, as amended (the “*Act*”), the Authority has the right and power to execute and deliver the Indenture and issue the Bonds.
3. The Indenture has been duly authorized, executed and delivered by the Authority and is the valid and binding obligation of the Authority and enforceable against the Authority in accordance with its terms.
4. The Bonds have been duly authorized, executed and issued and are valid and legally binding special limited obligations of the Authority, payable and secured in the manner and to the extent set forth in the Indenture, and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained in the Indenture.
5. Under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the “*Code*”), except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person”, and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. In rendering such opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Borrower (as defined in the Indenture) and others in connection with the Bonds, and we have assumed compliance by the Authority and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.
6. Under the Act, interest on the Bonds is exempt from Illinois income taxes.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 5 and 6 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter

come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

In rendering this opinion, we are advising you that the enforceability of the Bonds and the Indenture may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Very truly yours,



## APPENDIX F

### FHA RISK-SHARING PROGRAM

The following is a description of the Risk Sharing Program, and is qualified in its entirety by reference to Section 542(c) of the Housing and Community Development Act of 1992 and the regulations promulgated thereunder at 24 CFR Part 266 (the “*Federal Act*”).

The Federal Act directs the Secretary of HUD, acting through the Federal Housing Administration (“*FHA*”), to carry out programs that will demonstrate the effectiveness of providing forms of federal credit enhancement for multifamily loans. Section 542 of the Federal Act, entitled “Multifamily Mortgage Credit Demonstrations,” provides independent insurance authority that is not available under the National Housing Act. Section 542(c) of the Federal Act directs the Secretary of HUD to carry out a program of risk-sharing with qualified State and local housing finance agencies (“*HFAs*”). The qualified HFAs are authorized to underwrite and process loans. HUD provides full mortgage insurance on mortgages with respect to affordable multifamily housing projects processed by such HFAs under this program.

Pursuant to Section 542(c) of the Federal Act, the Authority and HUD have entered into a risk-sharing agreement, dated as of June 20, 1994, as amended pursuant to an Addendum dated as of July 15, 1996 (the “*Risk-Sharing Agreement*”) under which HUD has agreed to provide federal insurance on certain mortgage loans made by the Authority, and the Authority has agreed to reimburse HUD for 10 percent to 90 percent (as negotiated for each specific mortgage loan) of the payments made by HUD on any of the mortgage loans insured under the federal insurance. In the case of the Series 2024C Loan, the Authority has agreed to reimburse HUD for 50 percent of the payments made by HUD. However, any failure by the Authority to reimburse HUD pursuant to the Risk-Sharing Agreement will not affect HUD’s obligation to pay the insurance claim as described below. Claims made by the Authority under the federal insurance program will be made at the times and in the manner described below.

Under the terms of such Section 542(c), if a mortgagor has failed to make a mortgage payment when due (a “*Payment Default*”), or if a mortgagor has defaulted in the performance of one of its covenants under the mortgage and as a result thereof the mortgagee has accelerated the debt and the mortgagor fails to pay the full amount due (a “*Covenant Default*”), then the Authority becomes eligible to file an insurance claim with HUD if such default has continued for 30 days. Unless a written extension has been granted by HUD, the Authority must file within 75 days of the date of default (defined, in the case of a payment default, as the date of the first missed payment) an application for initial insurance claim payment. The initial claim payment will be paid by HUD to the Authority in an amount equal to 100 percent of the outstanding principal of the mortgage note, plus interest at the rate set forth in such mortgage note from the Date of Default to the date on which initial claim payment is made. Since interest is paid one month in arrears, the mortgagee will not, in the event of a claim for insurance benefits, be reimbursed for interest which had accrued in the previous month and was due and payable on the date of default. The accrual of interest on the initial claim may be curtailed in the event the Authority fails to meet certain deadlines by the number of days by which the required action is late. In addition, the claim will be reduced by any delinquent mortgage insurance premiums. In the Series 2024C Indenture, for Series 2024C Bonds subject to the Risk-Sharing Program, the Authority has covenanted to do all things necessary to receive such payment in cash. Under the Federal Act, “Date of Default” is defined as (1) the date of the first uncorrected failure to perform a mortgage covenant or obligation, or (2) the date of the first failure to make a mortgage payment that is not covered by subsequent payments.

In connection with making a claim payment, the Federal Act requires that the Authority issue Authority debentures to HUD no later than 30 days following the initial claim payment. Authority debentures will be issued in an amount equal to the initial claim payment.

Subject to certain conditions, the Authority may file with HUD a request for a partial claim payment (but not in excess of 50 percent of the amount of the unpaid balance of the mortgage) if the restructured mortgage will be financially viable, the default was beyond the control of the mortgagor, and certain other conditions are satisfied.

Following the receipt of HUD insurance proceeds relating to a default on a loan for a Series 2024C Financed Development subject to the Risk-Sharing Program, the Authority will redeem, at a redemption price of 100 percent, a proportionate amount of the Series 2024C Bonds relating to such Series 2024C Financed Development.

The Federal Act provides that the HUD insurance will terminate upon the occurrence of any of the following: (i) the mortgage is paid in full; (ii) the Authority acquires the development insured by HUD and notifies HUD that it will not file an insurance claim; (iii) a party other than the Authority acquires the property at a foreclosure sale; (iv) the Authority or its successors commit fraud or make a material misrepresentation to HUD with respect to information used in obtaining the insurance or while the federal insurance is in existence; or (v) HUD receives an application from the Authority for a final settlement of the loss as between the Authority and HUD.

**APPENDIX G**

**FORM OF AUTHORITY CONTINUING DISCLOSURE UNDERTAKING**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

**\$30,000,000**

**MULTIFAMILY REVENUE BONDS,  
2024 Series C  
(Sustainability Bonds)**

**CONTINUING DISCLOSURE UNDERTAKING OF THE  
ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

In connection with the issuance of the Bonds referenced above (the “*Series 2024C Bonds*”), the Illinois Housing Development Authority (the “*Authority*”) has executed and delivered this Continuing Disclosure Undertaking (this “*Agreement*”). Capitalized terms appearing in this Agreement that are not otherwise defined herein, shall have the meanings assigned to such terms in the Official Statement relating to the Series 2024C Bonds dated July 10, 2024 (the “*Official Statement*”). The Authority agrees as follows:

(a) **Undertaking.** The Authority shall make all required filings and reports so that all requirements of Rule 15c2-12(b)(5) (the “*Rule*”) of the United States Securities and Exchange Commission (the “*SEC*”), as amended from time to time, are met with respect to the Series 2024C Bonds.

(b) **Monthly Loan Reports.** On a monthly basis, commencing August 1, 2024, the Authority shall provide to the Municipal Securities Rulemaking Board (the “*MSRB*”) through its Electronic Municipal Market Access System (“*EMMA*”) or through such other electronic format or system prescribed by the MSRB or the SEC for purposes of the Rule, the following information regarding the Series 2024C Loans: (i) the current payment number, (ii) the loan status (i.e., on watch list, number of days or months late, bankruptcy), (iii) the loan balance remaining, and (iv) the current reserve balance, and the current principal and interest paid (and remaining due, if any).

(c) **Annual Financial Information.** Each year the Authority shall provide annual financial information concerning the Series 2024C Bonds to the MSRB through EMMA or through such other electronic format or system prescribed by the MSRB or the SEC for purposes of the Rule. The annual financial information shall include (i) the Authority’s audited financial statements, prepared in accordance with generally accepted accounting principles as in effect from time to time, not later than the 180th day following the end of each fiscal year of the Authority, commencing with the fiscal year ending June 30, 2024, and (ii) the audited annual financial statements for the Developments, within ten (10) days of receipt of such statements from the respective Borrowers (expected within 150 days of the end of the fiscal year for such Borrowers). In the event that the Authority has not received the audited annual financial statements for the Developments within 180 days of the end of the fiscal year for such respective Borrower, the Authority shall provide notice of such failure to the MSRB through EMMA or through such other electronic format or system prescribed by the MSRB or the SEC for purposes of the Rule. The annual financial information shall also include (i) the principal amount of Outstanding Bonds, (ii) the amount of money and securities in the Reserve Fund, if any, and (iii) an update of the information relating to the Loans contained in APPENDICES B and C to the Official Statement, as it may be supplemented or amended.

The annual financial information may include any or all information by incorporating, by specific reference, other documents which have been provided to the MSRB. If the incorporated information is in an Official Statement, it must be available from the MSRB.

(d) **Reporting Significant Events.** Upon the occurrence of any of the following events with respect to the Series 2024C Bonds, the Authority shall report the event to the MSRB in a timely manner and in any event within ten (10) business days of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers or their failure to perform;
- (vi) if applicable, adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024C Bonds, or other material events affecting the tax status of the Series 2024C Bonds;
- (vii) modifications to rights of Owners of the Series 2024C Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series 2024C Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;\*
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) the appointment of a successor or additional trustee or the change of the name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Authority, if material, or agreement by the Authority to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect Bondowners, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms or other similar events under the terms of any Financial Obligation of the Authority, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Series 2024C Bonds. For purposes of the events identified in subparagraphs (xv) and (xvi), “*Financial Obligation*” means a (x) debt obligation; (y) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligations; or (z) guarantee of (x) or (y). The term “Financial

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority will give a copy of each such report to the Trustee. The Authority will give notice in a timely manner to the Trustee and to the MSRB of any failure timely to provide the annual financial information as provided in this Agreement.

(e) Enforcement. The undertaking of the Authority described in this Agreement shall be solely for the benefit of the beneficial and registered owners of the Series 2024C Bonds from time to time, and shall create no right in anyone else. It may be enforced by any beneficial or registered owner of Series 2024C Bonds. The sole remedy with respect to the Authority’s compliance with its undertaking described in this Agreement shall be to require compliance. The Trustee shall have no powers or duties with respect to the undertaking described in this Agreement. No violation by the Authority of any provision described in this Agreement shall constitute any Event of Default or a default under the Indenture or under the Act.

(f) Termination. The obligation of the Authority described in this Agreement shall terminate if the Authority shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2024C Bonds. The Authority shall give notice of termination to the MSRB in the same manner and timeframe as described above under “Reporting Significant Events.”

(g) Amendment and Waiver. The Authority may by resolution amend this Agreement at any time to the extent and in the manner allowed by the Rule, as amended from time to time, provided that the Authority’s agreements under this Agreement, as amended, continue to comply with the Rule. Any amendment will be effective upon receipt by the Authority of an opinion to that effect delivered by counsel with significant federal securities law expertise as selected by the Authority. Any amendment must be described in the Authority’s next annual financial information disclosure provided to the MSRB and the Trustee.

[Signature Page Follows]

July 17, 2024

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Kristin L. Faust, Executive Director

Approved as to form:

\_\_\_\_\_  
Seth Runkle, Chief Financial Officer

\_\_\_\_\_  
Kathryn Finn, Interim General Counsel

## APPENDIX H

### FORM OF BORROWER CONTINUING DISCLOSURE UNDERTAKING

#### ILLINOIS HOUSING DEVELOPMENT AUTHORITY

**\$30,000,000**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
MULTIFAMILY REVENUE BONDS, 2024 SERIES C  
CONSISTING OF**

**\$7,400,000**

**\$22,600,000**

**MULTIFAMILY REVENUE BONDS,  
2024 Series C-1**

**MULTIFAMILY REVENUE BONDS,  
2024 Series C-2**

### BORROWER CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Ravine Redevelopment, LLC (the “*Borrower*”), in connection with the issuance of the Series 2024C Bonds referenced above (the “*Series 2024C Bonds*”) by the Illinois Housing Development Authority (the “*Authority*”). Capitalized terms appearing in this Agreement that are not otherwise defined herein, shall have the meanings assigned to such terms in the Official Statement relating to the Series 2024C Bonds dated July 10, 2024 (the “*Official Statement*”).

#### BACKGROUND

1. The Series 2024C Bonds are being issued to provide moneys to (i) make loans (the “*Loans*”) to the Borrower to finance the rehabilitation, construction, and equipping of 98 units in the development to be known as Ravine Terrace (the “*Financed Development*”) and (ii) make certain deposits to the funds and accounts specified in the Series 2024C Indenture.

2. In order to allow the Participating Underwriters (as defined in Rule 15c2-12 defined below) of the Series 2024C Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (17 CFR Part 240, § 240.15c2-12) as amended to the date hereof (“*Rule 15c2-12*”), the Borrower has agreed to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Series 2024C Bonds.

3. This Agreement is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

#### SERIES 2024C BORROWER COVENANTS AND AGREEMENTS

##### Section 1. Definitions.

(a) “*Annual Financial Information*” means the financial information or operating data of the Borrower relating to its Loans, delivered at least annually pursuant to Sections 2(a) and 2(b) hereof, of the type set forth under the captions “PLAN OF FINANCE – The Series 2024C Risk Share Loan”, “PLAN OF FINANCE – The Series 2024C Collateralized Loan” and “PLAN OF FINANCE – The Series 2024C Financed Development” contained in the Official Statement.

(b) “*Audited Financial Statements*” means the annual financial statements for the Borrower prepared in accordance with generally accepted accounting principles, consistently applied, as in effect from time to time, audited by a firm of certified public accountants.

(c) “*Authority Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking delivered by the Authority for the benefit of owners of the Series 2024C Bonds on the date hereof.

(d) “EMMA” means the MSRB’s Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>.

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street, NW, Suite 1000, Washington, DC 20005; fax: 202-898-1500.

(f) “Official Statement” means the Official Statement delivered in connection with the original issue and sale of the Series 2024C Bonds.

(g) “Rule 15c2-12” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), as the same may be amended from time to time.

(h) “SEC” means the Securities and Exchange Commission.

(i) “State” means the State of Illinois.

(j) “Underwriters” means Siebert Williams Shank & Co., LLC, as the Participating Underwriters.

Section 2. Provision of Annual Information; Event Notice.

(a) Commencing with the first fiscal year of the Borrower following the fiscal year of the Borrower in which this Agreement is executed and annually while the Series 2024C Bonds remain outstanding, the Borrower agrees to provide or cause to be provided annually to the Authority (with a copy, upon request, to the requesting Underwriter) the Annual Financial Information and the Audited Financial Statements.

(b) Such Annual Financial Information shall be provided to the Authority not later than 150 days after the end of each fiscal year for the Borrower. If not provided at the same time as the Annual Financial Information, the Audited Financial Statements will be provided when available. The Authority shall forward the Annual Financial Information and Audited Financial Statements so provided to EMMA upon receipt from the Borrower in accordance with the Authority Continuing Disclosure Undertaking. The Authority shall have no obligation to examine or review the Annual Financial Information and Audited Financial Statements, and shall have no duty to verify the accuracy or completeness of the Annual Financial Information and Audited Financial Statements.

(c) At any time the Series 2024C Bonds are outstanding, the Borrower shall provide, in a timely manner, to the Authority, notice of any failure of the Borrower to timely provide the Annual Financial Information or Audited Financial Statements as specified in Sections 2(a) and 2(b) hereof.

(d) At any time the Series 2024C Bonds are outstanding, the Borrower shall provide to the Authority, in a timely manner not in excess of five (5) business days after the occurrence, notice of (i) any bankruptcy, insolvency or receivership, or the consummation of a merger, consolidation or acquisition involving the Borrower, (ii) the sale of all or substantially all of the assets of the Borrower or any of its members, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms or (iii) the release, substitution or sale of any property securing repayment of the Series 2024C Bonds.

Section 3. Method of Transmission. Subject to technical and economic feasibility, the Authority shall employ such methods of electronic or physical information transmission as is requested or recommended by the MSRB unless otherwise required by law. The Borrower shall provide to the Authority Annual Financial Information and Audited Financial Statements in such form and by such means as shall be requested by the Authority from time to time to enable the Authority to comply with the preceding sentence.

Section 4. Enforcement. The obligations of the Borrower hereunder shall be for the benefit of the owners (including beneficial owners) of the Series 2024C Bonds. The owner or beneficial owner of any Series 2024C Bonds is authorized to take action to seek specific performance by court order to compel the Borrower to comply with its obligations under this Agreement, which action shall be the exclusive remedy available to it or any other owners



or beneficial owners of the Series 2024C Bonds; provided, that, any owner or beneficial owner of Series 2024C Bonds seeking to require the Borrower to comply with this Agreement shall first provide at least 30 days' prior written notice to the Borrower of the Borrower's failure, giving reasonable detail of such failure following which notice the Borrower shall have 30 days to comply. Any such action shall be brought only in a court of competent jurisdiction in the City of Chicago, Cook County, Illinois. Breach of the obligations of the Borrower hereunder shall not constitute an Event of Default under the Indenture and none of the rights and remedies provided by the Indenture shall be available to the owners of the Series 2024C Bonds or the Trustee therein appointed.

Section 5. Additional Information. Nothing in the Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other annual information, in addition to that which is required by this Agreement; provided that the Borrower shall not be required to do so. If the Borrower chooses to include any annual information in addition to that which is specifically required by this Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future annual filing.

Section 6. Term. This Agreement shall be in effect from and after the issuance and delivery of the Series 2024C Bonds and shall extend to the earliest of (i) the date all principal and interest on the Series 2024C Bonds shall have been deemed paid or legally defeased pursuant to the terms of the Indenture; (ii) the date that the Borrower shall no longer constitute an "obligated person" with respect to the Series 2024C Bonds within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 which require this Agreement are determined to be invalid by a court of competent jurisdiction in a nonappealable action, have been repealed retroactively or otherwise do not apply to the Series 2024C Bonds, the determination of (i), (ii) or (iii) herein to be made in any manner deemed appropriate by the Authority by an opinion of counsel experienced in federal securities law selected by the Authority.

Section 7. Amendments and Waivers. Notwithstanding any other provision of the Agreement, the Borrower may amend this Agreement from time to time, and any provision of this Agreement may be waived, without the consent of the owners or beneficial owners of the Series 2024C Bonds upon the Borrower's receipt of an opinion of counsel experienced in federal securities laws satisfactory to and approved by the Authority, to the effect that such amendment or waiver will not adversely affect compliance with Rule 15c2-12. The Borrower shall provide notice of such amendment or waiver to the Authority and the Underwriters, and the Authority shall then forward such notice to EMMA.

Section 8. Beneficiaries. This Agreement shall inure solely to the benefit of the Borrower, the Underwriters, the Authority and the owners (including beneficial owners) from time to time of the Series 2024C Bonds, and shall create no rights in any other person or entity.

Date: July 17, 2024.

RAVINE REDEVELOPMENT, LLC

By: Ravine Managing Member, LLC,  
an Illinois limited liability company,  
its managing member

By: Waukegan Housing Development Corporation NFP,  
an Illinois nonprofit corporation,  
its sole member

By: \_\_\_\_\_  
Charles J. Chambers, Jr.  
President

AGREED to with regard to the Authority's duties  
under Sections 2(b), 3 and 7:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Kristin L. Faust, Executive Director

## APPENDIX I

### GREEN STANDARDS

#### **The Illinois Energy Conservation Code**

The Illinois Energy Conservation Code (the “*Illinois Code*”) is the official building energy code for the State of Illinois (the “*State*”) and is based on the International Energy Conservation Code (the “*IECC*”). The IECC sets forth minimum efficiency standards for new construction for a structure’s walls, floors, ceilings, lighting, windows, doors, duct leakage and air leakage. The Illinois Code requires design and construction professionals to follow the latest published edition of the IECC. The Illinois Code applies to both privately-funded and state-funded construction projects, and allows local municipalities to adopt more stringent energy codes. The Code is amended periodically to align with revisions to the IECC. As it applies to Authority Financed Projects, the Illinois Code provides minimum specifications for exterior wall insulation, minimum U-values for windows, minimum requirements for roof insulation and minimum efficiency requirements for HVAC systems, among others.

#### **Illinois Housing Development Authority Standards for Architectural Planning and Construction**

In connection with applying for financing from the Authority, an applicant must demonstrate that the Project will satisfy the Authority’s “Standards for Architectural Planning and Construction,” which detail the Authority’s minimum quality standards for the design and construction of quality affordable housing. These Standards are used by the Authority to evaluate plans and specifications for proposed affordable housing developments, including new construction, rehabilitation, and the adaptive reuse of buildings. The Standards incorporate the Enterprise Green Communities Criteria, the nation’s only national green building program designed for green affordable housing construction. Under the Standards, rehabilitation or adaptive reuse Projects must comply with the standards for new materials. The Authority’s Standards impose the following mandatory requirements that exceed the requirements of the Illinois Code:

Water Conserving Fixtures – Rehabilitation and new construction projects must include EPA WaterSense certified plumbing fixtures. All newly installed plumbing fixtures are required to meet the following minimum specifications: toilets – 1.28 GPF, urinals – 0.5 GPF, showerheads - 2.0 GPM, kitchen faucets - 2.0 GPM, bathroom faucets – 1.5 GPM.

Energy Efficiency – Rehabilitation and new construction projects must include the installation of ENERGY STAR Certified clothes washers, dishwashers, range hoods, refrigerators, bathroom exhaust, and electric dryers.

Landscaping – Rehabilitation and new construction projects financed by the Authority must include site improvements. Applicants for multifamily financing must provide a tree or plant list, certified by the architect or landscape architect, that the selection of new trees and plants are at least 50% native and/or adaptive species, 100% appropriate to the site’s soils and microclimate, and that such landscaping will not include invasive species. The minimums cost for landscaping must be 2% of the hard construction cost of the project, including vegetation, fencing, irrigation, lighting, and furnishings.

Air Quality – All paints, sealants, and adhesives must be low VOC.

Projects that intend to seek third party certification from Enterprise Green Communities, U.S. Green Building Councils LLED certification, or ICC 700-2012 National Green Building Bronze Level or higher certification, are exempt from and supersede the Standards’ mandatory requirements.

#### **Illinois Housing Development Authority Qualified Allocation Plan**

Any multifamily Project financed by the Authority that includes the use of federal Low Income Housing Tax Credits (“*LIHTC*”) must adhere to the Qualified Allocation Plan (“*QAP*”) for the State. The Authority is the designated

tax credit allocating agency for the State. The QAP incorporates, by reference, the Authority's Standards for Architectural Planning and Construction.

In order to enable the Authority to evaluate the sustainable design measures of each project under both its QAP and Standards for Architectural Planning and Construction, developers provide information regarding green building techniques and sustainable design. Among other criteria, this evaluation assesses a project's inclusion of energy standards, water conservation, efficient appliances, high-efficacy lighting, and efficient HVAC systems. Applicants for Projects seeking LIHTC tax credits are assessed for energy efficiency and sustainability. Specifically, projects receive additional points for certifying to one of the following certification standards:

- Minimum LEED for Homes Silver or other LEED NC certification level
- Enterprise Green Communities Certification
- ICC/ASHRAE 700 National Green Building Standard™ (NGBS)
- Passive Housing Institute of the U.S., Passive House Certification, or another pre-approved Net-Zero Capable certification.

In the alternative, Projects may receive additional points by selecting ten items from the Authority's Sustainable Design Checklist. Such items include, but are not limited to, the installation of: efficient or water reuse irrigation systems; ENERGY STAR water heater with minimum efficiency of 95%; solar hot water heating system; minimum furnace efficiency of 95%; minimum SEER 15 air conditioning; minimum SEER 18 heat pump heating system; ENERGY STAR ceiling fans, ENERGY STAR Advanced lighting packages; and, kitchen exhaust directly vented to the exterior of each unit, minimum of 20% of total energy load provided by renewable energy (solar, wind, geothermal, etc.).

Projects that involve the rehabilitation of existing buildings may earn additional points for, among other things, replacing: all existing plumbing fixtures with fixtures that meet the minimum criteria set forth in the Standards for Architectural Planning and Construction; all electrical fixtures with ENERGY STAR fixtures; all flooring throughout the Project; and repairing or replacing one additional major system (furnaces, water heaters, central boilers, air conditioning equipment, elevator, windows, roofing, tuckpoint of exterior masonry) throughout each building.

### **Illinois Housing Development Authority Standards for Environmental Reviews and Professionals**

All applicants for multifamily financing from the Authority must submit a Phase I Environmental Report from a professional firm experienced in providing environmental reports. The State's QAP, discussed in greater detail above, requires that the Phase I environmental assessment be completed within one year prior to the QAP application deadline, consistent with the requirements of the Illinois Housing Development Authority Standards for Environmental Reviews and Professionals.

The Standards for Environmental Review and Professionals provides guidance as to the minimum criteria that should be considered when selecting an environmental firm, and requires that the environmental assessment and report exceed the basic scope of a standard Phase I report. In addition to detailing whether the Project site contains hazardous substances such as lead-based paint, mercury, PCBs, hazardous liquids or gases, elevated radon levels or asbestos, the Authority requires that the Phase I report address the following:

- if the project is located in a flood zone, the developer must include a Federal Emergency Management Agency (FEMA) floodplain map for the Project area with boundaries of the Project site clearly defined. Projects proposing rehabilitation of existing buildings must submit a site plan that clearly indicates (i) the FEMA determined elevation of the floodplain or floodway; (ii) the elevation of the lowest floor level in the existing buildings; and (iii) the location of the existing buildings;

- the developer must submit a Historic Preservation Checklist to the Authority, which then submits the checklist to the Illinois Department of Natural Resources (IDNR). If the property is listed, or is eligible to be listed, in the Federal Register of Historic Places, the developer must submit additional reports for the IDNR;
- whether the Project is located in or near wetlands and, if so, whether any hydrophilic plants are present;
- whether the Project is located in close proximity to a railroad, major road, highway, freeway, airport, or any other noise generating source such as an industrial plant;
- whether the site is located near a coastal zone, an area designated as being supported by a sole source aquifer, or a designated wild and scenic river;
- whether the Project will impact federally-listed or proposed threatened and endangered species, or designated or proposed critical habitats; and
- whether there is any indication that the Project may raise issues related to environmental justice.

These heightened standards of environmental review and reporting furthers the mission of the Authority to finance the creation and preservation of affordable housing that increases the supply of decent and safe places for people of low or moderate means to live.

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**APPENDIX J**

**FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING**

| Development Name<br><br>(New Construction/<br>Rehabilitation) | Development Location | ___% LIHTC Allocation | Anticipated Population Served or Elected % AMI | Environmental Attributes | Bond Proceeds Disbursed (\$) as of __, __ | Bond Proceeds Disbursed (%) as of June __, __ |
|---|----------------------|-----------------------|--|--------------------------|---|---|
|   |                      |                       |  |                          |   |   |

<sup>1</sup> Once the applicable Developments have been completed and all related bond proceeds disbursed, no further updates will be provided.

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