NEW ISSUE – BOOK ENTRY ONLY **RATINGS: SEE "RATINGS" herein**

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 2024H-1 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 2024H-1 Bond for any period during which such Series 2024H-1 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 2024H-1 Bonds or a "related person", and (ii) interest on the Series 2024H-1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Series 2024H-1 Bonds may affect the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel to the Authority, interest on the Series 2024H-2 Bonds is included in gross income for Federal income tax purposes pursuant to 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 2024H Bonds is exempt from Illinois income taxes except for estate, transfer and inheritance taxes. For a more complete description, see "TAX MATTERS" herein, and APPENDIX E – "Form of Bond Counsel Opinion."

$101,615,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H

CONSISTING OF

$100,585,000 **MULTIFAMILY REVENUE BONDS,** **2024 SERIES H-1** **(NON-AMT)**	**$1,030,000** **MULTIFAMILY REVENUE BONDS,** **2024 SERIES H-2** **(FEDERALLY TAXABLE)**

Dated: Date of delivery **Due: As shown on the inside cover hereof**

The Illinois Housing Development Authority (the "*Authority*") is offering $100,585,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series H-1 (the "*Series 2024H-1 Bonds*") and $1,030,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series H-2 (the "*Series 2022H-2 Bonds*" and, together with the Series 2024H-1 Bonds, the "Series 2024H Bonds"). The Series 2024H 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 H Indenture dated as of December 1, 2024 (the "*Series 2024H Indenture*" and together with the General Indenture, the "*Indenture*") between the Authority and the Trustee.

The Series 2024H Bonds are issuable in the form of fully registered bonds in denominations of $5,000 or any integral of $5,000 in excess thereof.

The Series 2024H 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 2024H Bonds will be payable semiannually on each January 1 and July 1, commencing July 1, 2025 (the "*Interest Payment Dates*"), and also at maturity or earlier redemption.

The Series 2024H 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 2024H Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of, and interest and premium, if any, on the Series 2024H 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 2024H BONDS – Book-Entry-Only System" herein.

The Trust Estate for the Series 2024H 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 2024H 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 2024H BONDS AND SOURCES OF PAYMENT" herein.

The Series 2024H 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 2024H BONDS – Redemption" herein.

The Series 2024H Bonds are special, limited obligations of the Authority. The Series 2024H 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 2024H 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 2024H Bonds or other costs incident thereto. The Series 2024H 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 2024H 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 2024H Bonds.

The Series 2024H Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, 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 general counsel, Christina McClernon, Esq., and for the Underwriter by its counsel, Chapman and Cutler LLP, Chicago, Illinois. Delivery of the Series 2024H Bonds to the Trustee on behalf of DTC under the DTC FAST system of registration is expected on or about December 19, 2024.

J.P. MORGAN

Dated: December 11, 2024

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

$100,585,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-1

$90,600,000 4.000% Term Bonds due January 1, 2042 – Price 98.059%; CUSIP No. 45202BSV9†
$9,985,000 4.500% Term Bonds due July 1, 2062 – Price 98.747%; CUSIP No. 45202BSW7†

$1,030,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-2

$1,030,000 4.480% Term Bonds due July 1, 2026 – Price 100%; CUSIP No. 45202BSX5†

† 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 2024H Bonds only at the time of issuance of the Series 2024H Bonds and neither the Authority nor the Underwriter 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 2024H 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 2024H Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority or by the Underwriter 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 2024H 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 Underwriter. 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 Underwriter 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 Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has 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 Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2024H 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 Underwriter may offer and sell the Series 2024H 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 Underwriter.

No registration statement relating to the Series 2024H Bonds has been filed with the Securities and Exchange Commission (the *"Commission"*) or with any state securities agency. The Series 2024H 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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TABLE OF CONTENTS

$101,615,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H
CONSISTING OF

$100,585,000 **MULTIFAMILY REVENUE BONDS,** **2024 SERIES H-1** **(Non-AMT)**	**$1,030,000** **MULTIFAMILY REVENUE BONDS,** **2024 SERIES H-2** **(Federally Taxable)**

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 $100,585,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series H-1 (the *"Series 2024H-1 Bonds"*) and $1,030,000 in aggregate principal amount of its Multifamily Revenue Bonds, 2024 Series H-2 (the "*Series 2022H-2 Bonds*" and, together with the Series 2024H-1 Bonds, the "*Series 2024H Bonds*"). The Series 2024H 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 November 22, 2024 (the *"Bond Resolution"*). The Series 2024H 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 2024H Indenture dated as of December 1, 2024 (the *"Series 2024H 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 2024H 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 2024H Bonds will be the twenty-sixth Series of parity Bonds issued under the General Indenture.

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

INTRODUCTORY STATEMENT

The Series 2024H Bonds are being issued to provide moneys to (i) refund on a current basis the Authority's Multifamily Revenue Bonds, 2021 Series A (the *"Series 2021A Bonds"*), Multifamily Revenue Bonds, 2021 Series B (the *"Series 2021B Bonds"*) and Multifamily Revenue Bonds, 2022 Series A (the *"Series 2022A Bonds"* and collectively with the Series 2021A Bonds and the Series 2021B Bonds, the *"Prior Bonds"*) and (ii) pay certain costs of issuance.

In connection with the redemption of the Prior Bonds, the Authority has entered into agreements with the holders of each series of the Prior Bonds to effectuate the retirement and redemption of the Prior Bonds. Pursuant to such agreements, the Authority has agreed to purchase on December 19, 2024 all of the outstanding Prior Bonds for a negotiated price. Upon delivery of the purchase price to the holders of the Prior Bonds, such holders have agreed to deliver the Prior Bonds to the Trustee for cancellation.

The proceeds of the Prior Bonds were used to make a loan to (i) Circle Park Preservation, L.P., a New York limited partnership (the *"Series 2021A Borrower"*) to finance a portion of the acquisition, rehabilitation and equipping of a 418-unit (120 of which are restricted to seniors and 298 of which are family units) multifamily residential housing development known as "Circle Park" and located at 1111 South Ashland Avenue, 1011 South Ashland Avenue and 1111 South Laflin Avenue in the City of Chicago, Illinois (the *"Series 2021A Financed Development"*), with respect to the Series 2021A Bonds (the *"Series 2021A Risk Share Loan"*), (ii) Morningside Court Preservation, L.P., a New York limited partnership (the *"Series 2021B Borrower"*) to finance a portion of the acquisition, rehabilitation and equipping of a 171-unit (170 of which are restricted to seniors and 1 of which is a supervisor's unit) multifamily residential housing development known as "Morningside Court" and located at 1250 West Morse Avenue in the City of Chicago, Illinois (the *"Series 2021B Financed Development"*), with respect to the Series 2021B Bonds (the *"Series 2021A Risk Share Loan"*) and (iii) Decatur Preservation, L.P., a New York limited partnership (the *"Series 2022A Borrower"* and collectively with the Series 2021A Borrower and the Series 2021B Borrower, the

"Series 2024H Borrowers") to finance a portion of the acquisition, rehabilitation and equipping of an 87-unit multifamily residential housing development known as "Orlando Apartments" and located at 156 South Water Street in the City of Decatur, Illinois and a 125-unit multifamily housing development known as "Southern Hills Apartments" and located at 3077 Southern Hills Drive in the City of Decatur, Illinois (the *"Series 2022A Financed Developments"* and collectively with the Series 2021A Financed Development and the Series 2021B Financed Development, the *"Series 2024H Financed Developments"* or the *"Projects"*), with respect to the Series 2022A Bonds (the *"Series 2022A Risk Share Loan"* and collectively with the Series 2021A Risk Share Loan and the Series 2021B Risk Share Loan, the *"Risk Share Loans"*).

Upon delivery of the Series 2024H Bonds and the redemption of the Prior Bonds, the Risk Share Loans, and reserve funds attributable to the Prior Bonds and held as security for the Prior Bonds, shall be released from their prior pledge, and pledged as security under the Series 2024H Indenture for the payment of the Series 2024H Bonds. See APPENDIX B – "Certain Information Regarding the Risk Share Loans" herein.

The Risk Share Loans are 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 Risk Share Loans as of the date of default and interest on Risk Share Loans 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 Risk Share Loans are further pledged as security for the payment of the Bonds. To the extent permitted by law, including applicable HUD regulations, while the Series 2024H 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 Risk Share Loans or to otherwise provide that such proceeds are delivered to the Trustee for deposit under the Indenture. See "SECURITY FOR THE SERIES 2024H BONDS AND SOURCES OF PAYMENT." For a description of the Risk-Sharing Program, see APPENDIX F – "FHA Risk-Sharing Program."

The Series 2024H 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 2024H 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 2024H BONDS AND SOURCES OF REPAYMENT."

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

The Series 2024H Bonds will be the twenty-sixth 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 H (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 H (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 H (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 H (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"*), (xx) $18,935,000 Multifamily Revenue Bonds, 2024 Series B (*"Series 2024B Bonds"*) and (xxi) $30,000,000 Multifamily Revenue Bonds, 2024 Series C, (xxii) $7,100,000 Multifamily Revenue Bonds, 2024 Series D (Non-AMT), (xxiii) $12,725,000 Multifamily Revenue Bonds, 2024 Series E (Non-AMT), (xxiv) $23,770,000 Multifamily Revenue Bonds, 2024 Series F (Non-AMT), and (xxv) $16,525,000 Multifamily Revenue Bonds, 2024 Series G, all of which are fixed rate bonds except the Series 2022C Bonds, Series 2023C Bonds, Series 2024A Bonds, and Series 2024E 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 2024H Borrowers, the Series 2024H Financed Developments and the Risk Share Loans, together with other information, including summaries of certain terms of the Series 2024H Bonds, the General Indenture, the Series 2024H Indenture and certain provisions of the Act. See also APPENDIX A – "Audited Financial Statements of the Authority for the Fiscal Year Ended June 30, 2024." All references herein to the Act, the General Indenture and the Series 2024H 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 Underwriter, and all references to the Series 2024H Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Series 2024H Indenture. Definitions of certain terms used herein and not otherwise defined are set forth in APPENDIX C – "Form of Series 2024H Indenture" and APPENDIX D – "Execution Copy of General Indenture."

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 $11,500,000,000 of bonds and notes outstanding, excluding those issued to refund its outstanding bonds and notes. As of November 30, 2024, the Authority had debt outstanding in the amount of $6,814,631,281.78, which consisted of general obligation debt, special limited obligation debt and conduit debt. The conduit debt, which is special limited obligation debt, accounts for $2,211,899,200.75 of the total as of that same date. Since the initial offering of the Series 2024H Bonds, the Authority received its audited financial statements for the fiscal year ended June 30, 2024. The audited financial statements of the Authority for fiscal year ended June 30, 2024 are set forth in APPENDIX A – "Audited Financial Statements of the Authority for the Fiscal Year Ended June 30, 2024."

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:

Members	Office
King Harris	Chairman — Chairman, Harris Holdings
Luz Ramirez	Vice Chairman — Chief Administrative Officer, YWCA Northwestern Illinois
Salvatore Tornatore	Treasurer — Principal, Tornatore Law Office
Sonia Berg	Secretary — Realtor, Ruhl & Ruhl Realtors
Claire Leopold	Member — Co-Owner/Managing Broker, Nester Realty Inc.
Daniel Hayes	Member — Senior Director of Structured Debt, New York Life Real Estate Investors
Brice Hutchcraft	Member — Market President, First State Bank (Monticello)
Thomas Morsch	Member — Managing Director, H2C Securities Inc.
Erika Poethig	Member — Executive Vice President for Strategy and Planning, Civic Committee and Commercial Club of Chicago

Management

The Authority employs a staff of approximately 368 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 Mr. Runkle 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. Mr. Runkle served 21 years with Citigroup in a variety of finance/accounting positions in the United States, Europe, and Latin America. He 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.

CHRISTINA MCCLERNON, General Counsel, 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 IHDA's business department on all aspects of operations. Ms. McClernon joined IHDA in 2022 and previously served as its Associate Corporate & Compliance Counsel. Prior to joining IHDA, she was a litigation attorney for several years, both in private practice and for Chicago Public Schools. She also served as an associate general counsel in the Office of the Governor and as the Chief Ethics Officer for the State of Illinois. Ms. McClernon received her J.D. from the University of Chicago Law School and her Bachelor of Arts degree in History and Anthropology from the College of William & Mary.

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 2024H BONDS

Series 2024H Bonds

The Series 2024H Bonds will mature in the years and in the amounts set forth on the inside cover of this Official Statement. The Series 2024H Bonds are issuable in the form of fully registered bonds in denominations of $5,000 or any integral of $5,000 in excess thereof.

The Series 2024H 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 2024H Bonds will be payable semiannually on each January 1 and July 1, commencing July 1, 2025 (the *"Interest Payment Dates"*), and also at maturity or earlier redemption.

Interest on the Series 2024H Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The interest on the Series 2024H 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 2024H 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 2024H 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 2024H Bonds, or the last date for performance of any act or the exercising of any right in connection with the Series 2024H 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 2024H 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 2024H Bonds. Individual purchases of the Series 2024H Bonds will be made in book-entry-only form, and purchasers of Series 2024H Bonds will not receive certificates representing their interest in such Series 2024H Bonds. So long as Cede & Co. is the sole registered owner of the Series 2024H Bonds, references herein to the registered owners or the Series 2024H Bonds shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the Series 2024H Bonds. See "THE SERIES 2024H BONDS – Book-Entry-Only System."

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

Redemption

Optional Redemption of Series 2024H Bonds. The Series 2024H-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 Series 2024H-2 Bonds are not subject to optional redemption prior to maturity.

Sinking Fund Redemption. The Series 2024H-1 Bonds maturing on January 1, 2042 are subject to mandatory redemption on July 1 and January 1 at the times and in the amounts shown below, at a Redemption Price equal to

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

REDEMPTION DATE	SINKING FUND REQUIREMENT ($)	REDEMPTION DATE	SINKING FUND REQUIREMENT ($)
7/1/26	510,000	7/1/34	785,000
1/1/27	585,000	1/1/35	805,000
7/1/27	595,000	7/1/35	815,000
1/1/28	605,000	1/1/36	835,000
7/1/28	620,000	7/1/36	850,000
1/1/29	635,000	1/1/37	865,000
7/1/29	645,000	7/1/37	880,000
1/1/30	660,000	1/1/38	900,000
7/1/30	675,000	7/1/38	920,000
1/1/31	685,000	1/1/39	935,000
7/1/31	695,000	7/1/39	965,000
1/1/32	715,000	1/1/40	975,000
7/1/32	725,000	7/1/40	995,000
1/1/33	740,000	1/1/41	1,015,000
7/1/33	755,000	7/1/41	52,500,000
1/1/34	770,000	1/1/42†	14,945,000

†Maturity

The Series 2024H-1 Bonds maturing on July 1, 2062 are subject to mandatory redemption on July 1 and January 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024H-1 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

REDEMPTION DATE*	SINKING FUND REQUIREMENT ($)*	REDEMPTION DATE*	SINKING FUND REQUIREMENT ($)*
7/1/42	145,000	1/1/53	235,000
1/1/43	150,000	7/1/53	240,000
7/1/43	155,000	1/1/54	245,000
1/1/44	155,000	7/1/54	250,000
7/1/44	160,000	1/1/55	255,000
1/1/45	160,000	7/1/55	260,000
7/1/45	165,000	1/1/56	270,000
1/1/46	170,000	7/1/56	275,000
7/1/46	175,000	1/1/57	275,000
1/1/47	175,000	7/1/57	290,000
7/1/47	185,000	1/1/58	295,000
1/1/48	190,000	7/1/58	295,000
7/1/48	195,000	1/1/59	305,000
1/1/49	195,000	7/1/59	315,000
7/1/49	200,000	1/1/60	320,000
1/1/50	205,000	7/1/60	330,000
7/1/50	210,000	1/1/61	335,000
1/1/51	215,000	7/1/61	340,000
7/1/51	220,000	1/1/62	350,000
1/1/52	220,000	7/1/62†	635,000
7/1/52	225,000		

†Maturity

The Series 2024H-2 Bonds maturing on July 1, 2026 are subject to mandatory redemption on July 1 and January 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2024H-2 Bonds so redeemed plus accrued interest to the date of redemption, without premium:

REDEMPTION DATE	SINKING FUND REQUIREMENT ($)	REDEMPTION DATE	SINKING FUND REQUIREMENT ($)*
7/1/25	415,000	7/1/26†	55,000
1/1/26	560,000		

†Maturity

Special Redemption. The Series 2024H 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) (A) on any date with respect to Loan Prepayments and Recovery Payments relating to the Risk Share Loans and (B) an any date after July 1, 2025 with respect to Loan Prepayments and Recovery Payments relating to all other 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 2024H 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; *provided, however,* that redemptions made as described in this subsection may be made (A) at any time to the extent the Loan Prepayments or Recovery Payments related to the Series 2024 Risk-Share Loans or (B) following July 1, 2025 to the extent the Loan Prepayments or Recovery Payments relate to other Loans made by the Authority;

(iii) at any time, from 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; *provided, however,* that redemptions made as described under this subsection may be made (A) at any time if such available funds relate directly to the Risk Share Loans or (B) after July 1, 2025 if such available funds relate to any other Loans; and

(v) at any time, from any moneys remaining in the 2024 Series H Account of the Program Fund which are not applied to the financing of the Risk Share Loans.

Selection of Bonds to be Redeemed. If less than all of the Series 2024H Bonds are redeemed pursuant to an "Optional Redemption" or a "Special Redemption," as described above, the amounts and maturities of the Series 2024H 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 2024H Bonds described under "THE SERIES 2024H 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 2024H 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 2024H 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 2024H 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 2024H Bond to the Trustee for payment. Failure to mail such notice of redemption to any registered owner of any Series 2024H Bond or any defect in such notice will not affect the validity of the redemption of any other Series 2024H 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 2024H Bonds to notify the beneficial owner of the redemption of the Series 2024H 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 2024H 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 2024H Bonds or portions thereof shall cease to accrue and become payable.

Purchase in Lieu of Redemption

Series 2024H 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 2024H Bonds of a series that have been called for redemption or for such lesser portion of such Series 2024H Bonds as constitute Authorized Denominations. The Authority may direct the Trustee to purchase all or such lesser portion of the Series 2024H 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 2024H Bonds will be the twenty-sixth 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 H (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 H (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, (xx) Series 2024B Bonds, (xxi) $30,000,000 Multifamily Revenue Bonds, 2024 Series C, (xxii) $7,100,000 Multifamily Revenue Bonds, 2024 Series D (Non-AMT), (xxiii) $12,725,000 Multifamily Revenue Bonds, 2024 Series E (Non-AMT), (xxiv) $23,770,000 Multifamily Revenue Bonds, 2024 Series F (Non-AMT), and (xxv) $16,525,000 Multifamily Revenue Bonds, 2024 Series G, all of which are fixed rate bonds except the Series 2022C Bonds, Series 2023C Bonds, Series 2024A Bonds, Series 2024 E 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 2024H Bonds. The Series 2024H 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 2024H 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.

Purchases of the Series 2024H Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024H Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2024H 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 2024H 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 2024H Bonds, except in the event that use of the book-entry system for the Series 2024H Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024H 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 2024H 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 2024H Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024H 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 2024H Bonds within a single maturity of a series of the Series 2024H 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 2024H 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 2024H Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024H 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 2024H 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 2024H Bond certificates are required to be printed and delivered for the affected Series 2024H 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 2024H Bond certificates will be printed and delivered for the affected Series 2024H 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 Underwriter 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 2024H 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 2024H 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 2024H Bonds; any notice which is permitted or required to be given to registered owners of the Series 2024H 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 2024H Bonds; or any consent given or other action taken by DTC as registered owner of the Series 2024H Bonds.

If the Book-Entry-Only System is discontinued and Series 2024H 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 2024H Bonds. Thereafter, Series 2024H Bonds may be exchanged for an equal aggregate principal amount of such Series 2024H 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 2024H 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 2024H 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 2024H Bonds.

PLAN OF REFUNDING

Sources and Uses of Funds

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

SOURCES OF FUNDS	
Proceeds of Series 2024H-1 Bonds	$98,701,341.95
Proceeds of Series 2024H-2 Bonds	1,030,000.00
TOTAL	$99,731,341.95
USES OF FUNDS	
Refunding of the Prior Bonds	$98,703,839.70
Costs of Issuance(1)	1,027,502.25
TOTAL	$99,731,341.95

(1) Includes Underwriter's compensation.

Use of Proceeds

Proceeds of the Series 2024H Bonds, together with other funds available to the Authority from the Series 2024H Borrower as described above, will be used to pay the principal of and interest and redemption premium (if any) on the Prior Bonds through the date on which the Prior Bonds are to be redeemed and to make the deposits and payments set forth above under "PLAN OF REFUNDING – Sources and Uses of Funds." It is expected that the refunding of the Prior Bonds will result in a lower principal amount of Bonds Outstanding under the Indenture, resulting in a net present value savings to the Authority.

Concurrently with such deposit of proceeds of the Series 2024H Bonds with the trustee for the Prior Bonds (or within one day thereafter), the Risk Share Loans and certain reserve funds attributable to the Prior Bonds held as security for the Prior Bonds will be transferred to the Series 2024H Indenture and be pledged as security for the Bonds. See APPENDIX B – "Certain Information Regarding the Risk Share Loans" hereto.

Risk-Sharing Program

Description. The Risk Share Loans were originated in an aggregate principal amount of $131,900,000 finance the acquisition, rehabilitation and equipping of the Series 2024H Financed Developments. The Series 2024H Borrowers have each entered into a Loan Agreement (the *"Risk Share Loan Agreement"*) with the Authority, which sets forth the terms of the respective Risk Share Loans.

See APPENDIX B – "Certain Information Regarding the Risk Share Loans" for a table of the significant details of the Risk Share Loans.

Risk Share Loan Terms. The Series 2021A Risk Share Loan was originated in the aggregate principal amount of $83,000,000 and pays interest at a monthly rate of 3.10% 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 2021A Risk Share Loan paid interest-only for a period of 36 months and amortizes over 35 years commencing on March 1, 2024. The Series 2021A Risk Share Loan has a maturity date of January 1, 2041.

The Series 2021B Risk Share Loan was originated in the aggregate principal amount of $27,600,000 and pays interest at a monthly rate of 3.02% 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 2021B Risk Share Loan amortizes over 35 years commencing on July 1, 2021. The Series 2021B Risk Share Loan has a maturity date of July 1, 2041.

The Series 2022A Risk Share Loan was originated in the aggregate principal amount of $21,300,000 and pays interest at a monthly rate of 3.53% 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 2022A Risk Share Loan amortizes over 40 years commencing on March 1, 2022. The Series 2021A Risk Share Loan has a maturity date of March 1, 2062.

FHA Risk-Sharing Insurance. The Risk Share Loans are insured by FHA under the Risk-Sharing Program. Such insurance provides for payment of 100% of the unpaid principal of the Risk Share Loans as of the date of default and interest on the Risk Share Loans 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 Risk Share Loans. See APPENDIX F – "FHA Risk-Sharing Program."

Loan Servicing. The Risk Share Loans are 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 respective Risk Share Loan, and such rate on the applicable 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. Interest and principal payments under the Risk Share Loans 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 applicable Risk Share Loan Agreement.

Prepayment. Under the Risk Share Loan Agreements, the Series 2024H Borrowers and the Authority have agreed that the Risk Share Loans may not be prepaid in whole or in part at the option of the Series 2024H Borrowers at any time prior to (i) April 1, 2034 with respect to the Series 2021A Risk Share Loan, (ii) August 1, 2031 with respect to the Series 2021B Risk Share Loan and (iii) March 1, 2032 with respect to the Series 2022A Risk Share Loan. (However, the Authority may waive a prohibition on prepayments contained in any Risk Share Loan.)

Section 42 Compliance Period. Under Section 42 of the Internal Revenue Code of 1986, as amended (the *"Code"*), the Series 2024H Financed Developments are 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. The anticipated expiration date of such restrictions with respect to each of the Series 2024H Financed Developments is set forth in APPENDIX B – "Certain Information Regarding the Risk Share Loans."

"Due on Sale" Provisions. The Risk Share Loans do not contain "due on sale" clauses restricting sale or transfer of the mortgaged property.

Assumability. The Risk Share Loans may be assumed, subject to HUD review and approval, upon the sale of a Series 2024H Financed Development.

Lien on Fee Simple Estate. The 2024H Risk Share Loans are secured by a first-lien mortgage on the applicable Series 2024H Financed Development.

Risk Share Loans

The Risk Share Loans are insured by the FHA pursuant to the Risk-Sharing Program established by HUD of 100% of the unpaid principal balance of the Risk Share Loans as of the date of default and interest on Risk Share Loans 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 Risk Share Loans are further pledged as security for the payment of the Bonds. To the extent permitted by law, including applicable HUD regulations, while the Series 2024H 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 Risk Share Loans or to otherwise provide that such proceeds are delivered to the Trustee for deposit under the Indenture.

If a Series 2024H Borrower is found to be in default under the applicable Risk Share Loan Agreement, the Authority has the ability to terminate such Risk Share Loan Agreement. The following events would constitute a

Borrower event of default under the Risk Share Loan Agreements: (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) a Series 2024H Borrower fails to make the contributions of equity to the applicable Series 2024H Financed Development at the times and in the amounts set forth in the Series 2024H Borrower's respective Operating Agreement; (iii) a Series 2024H Borrower fails to achieve the debt service coverage ratio and is delinquent on its debt service payments; or (iv) a Series 2024H Borrower fails to comply with the affordability requirements and other requirements of the applicable Regulatory Agreement See "SECURITY FOR THE SERIES 2024H 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 applicable Series 2024H Borrower, regardless of the purpose for which such funds were deposited, subject to the requirements of the General Indenture and the Series 2024H Indenture and applicable law.

The Series 2024H Financed Developments

General. The Series 2021A Financed Development is a multifamily residential housing development containing 418 low and moderate income units of housing for multi-generational living and community amenities. The Series 2021A Financed Development consists of an eight-story building containing 120 total rehabilitated age-restricted housing units and 16 low-rise buildings containing 298 family units, located at 1111 South Ashland Avenue, 1011 South Ashland Avenue and 1111 South Laflin Avenue in Chicago. Rehabilitation of the Series 2021A Financed Development commenced in February, 2021 and was completed on or about October 7, 2022.

The Series 2021B Financed Development is a multifamily residential housing development containing 170 total low and moderate income units of housing for senior living and community amenities. The Series 2021B Financed Development consists of an 11-story building containing 170 total rehabilitated age-restricted housing units and 1 supervisor's unit, located at 1250 West Morse Avenue in Chicago. Rehabilitation of the Series 2021B Financed Development commenced in June, 2021 and was completed on or about December 31, 2022.

The Series 2022A Financed Developments consist of a multifamily residential housing development consisting of 87 low income units of housing located at 156 South Water Street in Decatur, Illinois and a multifamily residential housing development consisting of 125 low income units of housing located at 3077 Southern Hills Drive in Decatur, Illinois. Rehabilitation of the Series 2022A Financed Developments commenced in February, 2022 and was completed on or about December 31, 2022.

Unit Mix. The unit mix and other information regarding the Series 2024H Financed Developments is set forth in the tables below:

SERIES 2021A FINANCED DEVELOPMENT

	Senior HAP	Family HAP				Family 80% AMI				
	1BR-Eld	**2BR-H**	**2BR-TH**	**3BR-H**	**3BR-TH**	**2BR-H**	**2BR-TH**	**3BR-H**	**3BR-TH**	**Overall**
Count:	120	4	55	2	58	68	51	34	26	418
30% AMI	60	4	20	1	20					
40% AMI	45	0	15	0	15					
50% AMI	10	0	10	0	10					57.0%
60% AMI	3	0	7	1	8	0	0	0	0	
70% AMI	2	0	3	0	5					
80% AMI	0	0	0	0	0	68	51	34	26	
PF Rent (Monthly):	$1,750	$2,100	$2,200	$2,400	$2,500	$1,509	$1,476	$1,735	$1,693	$1,842

Approximately 57 percent of the units of the Series 2021A Financed Development receive the benefit of Housing Assistance Payment Contracts pursuant to Section 8 of the Housing Act of 1937, as amended.

Series 2021B Financed Development

	Senior HAP 1BR-Eld (623SF)	Senior HAP 1BR-Eld (666SF)	2BR-M	Overall
Count:	130	40	1	171
60% AMI	130	40	N/A	171
PF Rent (Monthly):	$1,362	$1,385	N/A	$232,460

Approximately 100 percent of the units of the Series 2021B Financed Development receive the benefit of Housing Assistance Payment Contracts pursuant to Section 8 of the Housing Act of 1937, as amended.

Series 2022A Financed Developments

	1BR (685SF)	1BR (627SF)	1BR (627SF)	2BR (972SF)	2BR (842SF)	3BR (1,097SF)	Overall
Count:	80	37	13	7	63	12	212
30% AMI	5	0	6	N/A	N/A	N/A	11
60% AMI	75	37	7	7	63	12	201
Pro Forma Rent (Monthly):	$1,210	$855	$900	$1,383	$1,031	$1,185	$228,989

Approximately 100 percent of the units of the Series 2022A Financed Developments receive the benefit of Housing Assistance Payment Contracts pursuant to Section 8 of the Housing Act of 1937, as amended.

Series 2024H Borrowers. Circle Park Preservation, L.P. is a New York limited partnership and is the owner of the Series 2021A Financed Development. The General Partner of Circle Park Preservation, L.P. is Circle Park Preservation GP, LLC, a New York limited liability company.

Morningside Court Preservation, L.P. is a New York limited partnership and is the owner of the Series 2021B Financed Development. The General Partner of Morningside Court Preservation, L.P. is Morningside Court Preservation GP, LLC, a New York limited liability company.

Decatur Preservation, L.P. is a New York limited partnership and is the owner of the Series 2022A Financed Developments. The general partner of Decatur Preservation, L.P. is Decatur Preservation GP, LLC, a New York limited liability company.

Property Management. The Series 2024H Borrowers have each entered into a Management Agreement with Related Management Company, L.P., to manage each of the Series 2024H Financed Developments.

Security for the Series 2024H Bonds and Sources of Payment

General

The Series 2024H Bonds are being issued pursuant to the General Indenture and the Series 2024H 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 2024H Indenture establishes a Series Reserve Requirement for the Series 2024H Bonds calculated as at least the maximum semiannual debt service for the Series 2024H Bonds (excluding July 1, 2025, July 1, 2041, and January 1, 2042), plus one month's interest on the Risk Share Loans. The Reserve Requirement for the Series 2024H Bonds will be satisfied from the transferred proceeds of the Prior Bonds listed in "PLAN OF REFUNDING – 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.

SERIES OF BONDS	SERIES RESERVE REQUIREMENT ($)	FUNDING MECHANISM
2019 Series A	654,136.25	Cash
2020 Series A	183,057.92	Cash
2020 Series B	98,889.33	Cash
2020 Series H	60,038.75	Cash
2020 Series D	61,514.00	Cash
2021 Series A(1)	1,895,000.00	Cash
2021 Series B(1)	630,000.00	Cash
2021 Series H	1,578,610.00	Cash
2022 Series A(1)	510,000.00	Cash
2022 Series B	345,549.00	Cash
2022 Series H	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
2024 Series C	284,339.00	Cash
2024 Series D	175,029.00	Cash
2024 Series E	312,630.00	Cash
2024 Series F	690,000.00	Cash
2024 Series G	525,000.00	Cash

(1) Expected to be refunded by the Series 2024H Bonds.

Security for the Series 2024H Bonds

The Risk Share Loans are insured under the Risk-Sharing Program, which provides for payment of 100% of the unpaid principal balance of the Risk Share Loans as of the date of default and interest on the Risk Share Loans from the date of default to the date of the initial claim payment. See APPENDIX F – "FHA Risk-Sharing Program."

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

October 31, 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†	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	3,587,091.41	1/1/2063	$ 13,565.83	457	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	24,962,224.88	1/1/2063	94,403.33	457	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	5,532,315.59	5/1/2060	28,108.21	427	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	2,830,361.84	9/1/2060	14,308.33	431	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	1,539,863.44	8/1/2050	8,847.48	310	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	1,645,312.69	11/1/2060	9,912.59	433	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	82,002,808.24	1/1/2041	324,075.75	195	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	26,083,069.22	8/1/2041	106,526.96	201	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	486	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	486	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	0.00	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	20,644,055.86	3/1/2062	82,897.95	449	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	10,613,740.68	6/1/2062	53,523.82	452	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	11,819,896.09	9/1/2051	57.844.20	323	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	1,192,287.10	4/1/2042	7.660.77	210	4/1/2042	12/1/2010	1/17/2012	1/17/2032	97.5%	40	1.07
Multifamily Revenue Bonds 2022 Series C	17-10338-01	Moline Enterprise Live-Work Lofts	4.35**	1,600,000	1,198,856.53	12/1/2042	7,964.99	218	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	1,267,103.22	12/1/2031	17,175.98	86	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	1,565,206.48	1/1/2037	13,683.82	146	1/1/2037	12/1/2010	1/1/2011	1/1/2031	87.6%	121	1.35

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	17-10334.01	Zurich Meadows	4.35**	4,200,000	3,089,477.87	6/1/2042	20,908.10	212	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	8,497,925.87	5/1/2063	35,042.98	463	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	487	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	4,661,534.42	8/1/2063	18,503.12	466	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	12,803,803.69	9/1/2063	56,192.33	467	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	6,544,678.13	10/1/2063	31,128.78	468	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	8,039,770.99	1/1/2064	35,999.10	471	1/1/2064	5/1/2033	2/1/2022	N/A	100.0%	0	N/A
Multifamily Revenue Bonds 2024 Series A	17-10545-01	Maywood SLF	3.67**	24,995,000	24,809,421.60	3/1/2064	99,393.17	473	3/1/2064	3/1/3034	5/9/2023	N/A	100.0%	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
Multifamily Revenue Bonds 2024 Series C	17-12332-01	Ravine Terrace	5.85**	7,400,000	7,400,000.00	12/1/2066	39,944.72	480	12/1/2066	12/1/2041	N/A	10/1/2026	N/A	98	N/A
Multifamily Revenue Bonds 2024 Series D	17-11868-01	Armory Terrace	3.63**	7,100,000	7,086,812.98	8/1/2054	28,061.05	358	8/1/2054	9/1/2034	12/18/2023	12/18/2043	100%	50	N/A
Multifamily Revenue Bonds 2024 Series E	17-11738-01	Burnham Manor	4.30**	12,725,000	12,704,997.48	9/1/2064	55,581.29	478	9/1/2064	10/1/2034	11/30/2023	6/30/2042	99.0%	100	N/A
Multifamily Revenue Bonds 2024 Series F	17-12349-01	Willa Rawls	5.55**	20,710,000	20,710,000.00	4/1/2066	107,521.00	480	4/1/2066	4/1/2036	7/28/2025	10/1/2044	N/A	123	1.15
Multifamily Revenue Bonds 2024 Series F	N/A	Willa Rawls	3.30**	2,370,000	0	9/1/2026	‡	‡	9/1/2026	9/1/2025	7/28/2025	N/A	N/A	123	N/A
Multifamily Revenue Bonds 2024 Series G	17-12469-01	Villager & Briarwood West	5.24**	16,000,000	16,000,000	10/1/2041	83,215.46	203	10/1/2041	10/1/2034	10/1/2025	10/1/2045	N/A	116	1.24

* 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 2024H 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 2024H Bonds are special, limited obligations of the Authority payable solely from the Trust Estate pledged under the Indenture. See "SECURITY FOR THE SERIES 2024H 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 2024H Bonds when due. See APPENDIX C – "Form of Series 2024H Indenture." Additional Bonds issued under the General Indenture will be secured by the Trust Estate on an equal and ratable basis with the Series 2024H 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 2024H Bonds.

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 Risk Share Loans.

Conditions to Payment of Risk-Sharing Insurance

The failure to maintain adequate casualty insurance on the Series 2024H Financed Developments 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 2024H Financed Developments. 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 Risk Share Loans and the maintenance of the Risk-Sharing Program insurance in connection with the Risk Share Loans.

Affordable Multifamily Housing Loans

The Risk Share Loans are secured 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 2024H-1 Bonds as described in "TAX MATTERS" will assume compliance by the Authority and the Series 2024H Borrowers 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 2024H-1 Bonds. The Authority and each Series 2024H Borrower will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2024H-1 Bonds to be included in gross income, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2024H-1 Bonds. Furthermore, the opinion of Bond Counsel is rendered as of the date of delivery of the Series 2024H-1 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 2024H-1 Bonds, the exclusion of interest on the Series 2024H-1 Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2024H Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

Certain U.S. Federal Income and Estate Tax Consequences to Non-U.S. Holders

This section describes certain U.S. federal income and estate tax consequences to Non-U.S. Holders.

Payments of interest (including OID) on a Series 2024H Bond to an owner that is not a United States Holder (a "*Non-U.S. Holder*") are generally not subject to United States federal income tax or nonresident withholding tax so long as the requirements under Code Section 871(h) are satisfied, including that:

- the Non-U.S. Holder is not actually or constructively a "10-percent shareholder" under Section 871(h) or 881(c)(3)(B) of the Code;
- the Non-U.S. Holder is not, for United States federal income tax purposes, a controlled foreign corporation with respect to which the Authority is a "related person" within the meaning of Section 881(c)(3)(C) of the Code;
- the Non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- the certification requirements under Section 871(h) or 881(c) of the Code and regulations (summarized below) are met; and
- the Series 2024H Bond interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States under Section 871(b) or Section 882 of the Code.

In order to obtain the exemption from income and withholding tax, either (1) the Non-U.S. Holder must provide its name and address, and certify, under penalties of perjury on Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY or W-8EXP, as applicable, to the Authority, its paying agent, or other applicable withholding agent as the case may be, that such Owner is a Non-U.S. Holder or (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business ("Financial Institution") and holds a Series 2024H Bond on behalf of the Non-U.S. Holder, must certify, under penalties of perjury, to the Authority or its paying agent that such certificate has been received from the Owner by it or by any intermediary Financial Institution and must furnish the Authority or its paying agent with a copy of the certificate. A certificate is generally effective only with respect to payments of interest made to the certifying Non-U.S. Holder after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. A Non-U.S. Holder who does not satisfy the exemption requirements under Code Section 871(h) is generally subject to United States withholding tax on payments of interest (including OID).

Interest on a Series 2024H Bond (including OID) that is effectively connected with the conduct of a United States trade or business by the Non-U.S. Holder is generally subject to United States federal income tax in the same manner as with a United States Owner, except to the extent otherwise provided under an applicable tax treaty. Effectively connected interest income received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional branch profits tax. Effectively connected interest income will not be subject to withholding tax if the Non-U.S. Holder delivers a properly completed Internal Revenue Service Form W-8ECI to the Trustee.

Foreign Account Tax Compliance Act

Pursuant to the Foreign Account Tax Compliance Act (commonly referred to as *"FATCA"*), foreign financial institutions (which term includes most foreign banks, hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a Beneficial Owner or as an intermediary for another party).

A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any "withholdable payments." For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source interest including OID) and also include the entire gross proceeds from the sale or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Under the applicable final Treasury regulations, withholding under FATCA, if required, generally will apply to payments of U.S.-source interest on the bonds and to payments of gross proceeds from dispositions (including redemptions) of the bonds. However, the IRS issued proposed Treasury regulations that eliminate withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, the Authority and any applicable withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States pursuant to FATCA may be subject to different rules with respect to information reporting and related requirements.

The Authority will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

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 2024H Bonds have received the rating of "Aaa" from Moody's Ratings (*"Moody's"*).

The rating assigned to the Series 2024H Bonds reflect only the view of Moody's, and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that the ratings that will be assigned to the Series 2024H Bonds will continue for any given period of time or that 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 the rating could have an adverse effect on the market price of the Series 2024H Bonds.

LEGALITY OF BONDS FOR INVESTMENT

Under the Act, the Series 2024H 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 2024H Bonds and may also contain limitations that permit purchases of the Series 2024H 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 2024H Bonds or that in any way contests the validity of the Series 2024H 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 2024H 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 2024H 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 2024H-1 Bonds (including any original issue discount properly allocable to the owner of a Series 2024H-1 Bond) 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 2024H-1 Bond for any period during which such Series 2024H-1 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 2024H-1 Bonds or a "related person," and (ii) interest on the Series 2024H-1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Series 2024H-1 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 2024H Borrowers and others in connection with the Series 2024H-1 Bonds, and Bond Counsel has assumed compliance by the Authority and the Series 2024H Borrowers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2024H-1 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 2024H-1 Bonds is exempt from Illinois income taxes except for estate, transfer and inheritance taxes.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2024H-1 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 2024H-1 Bonds.

Summary of Certain Federal Tax Requirements

Under applicable provisions of the Code, the exclusion from gross income of interest on the Series 2024H-1 Bonds for purposes of federal income taxation requires that (i) at least 40% of the units in the applicable Series 2024H-1 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 applicable Series 2024H Financed Developments be rented or available for rental on a continuous basis during the Qualified Project Period. "Qualified Project Period" for a Series 2024H Financed Development means a period commencing upon the later of (a) occupancy of 10% of the units in such Series 2024H Financed Development or (b) the date of issue of the Series 2024H-1 Bonds, and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in such Series 2024H Financed Developments, (ii) the first date on which no tax-exempt private activity bonds issued with respect to such Series 2024H Financed Development are outstanding or (iii) the date on which any assistance provided with respect to such Series 2024H Financed Development under Section 8 of the United States Housing Act of 1937 terminates. Each Series 2024H 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 applicable Series 2024H 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 2024H-1 Bonds, the Treasury Regulations provide that the exclusion of interest on the Series 2024H-1 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 2024H-1 Bonds in order that interest on the Series 2024H-1 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 2024H-1 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 2024H-1 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 2024H Borrowers have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2024H-1 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 2024H-1 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2024H-1 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 2024H-1 Bonds.

Prospective owners of the Series 2024H-1 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, foreign corporations operating branches in the United States, and corporations subject to the alternative minimum tax), 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 2024H-1 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.

Original Issue Discount.

The Series 2024H-1 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

The Series 2024H-2 Bonds

General Matters. Bond Counsel is of the opinion that interest on the Series 2024H-2 Bonds is included in gross income for federal income tax purposes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2024H-2 Bonds under the laws of the State of Illinois or any other state or jurisdiction.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2024H-2 Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series 2024H-2 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2024H-2 Bonds.

In general, interest paid on the Series 2024H-2 Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2024H-2 Bonds, and principal payments (excluding the portion, if any, of such payments characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Series 2024H-2 Bond for a cost greater than its remaining stated redemption price at maturity and holds such instrument as a capital asset will be considered to have purchased such instrument at a premium. Such premium may generally be amortized under the constant yield method upon prior election permitted by Section 171(c) of the Code and, if so amortized, any call options of the Authority with respect to the Series 2024H-2 Bonds are generally disregarded such that the instruments are amortized to their maturity date.

Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizing bond premium that reduces interest payments under Section 171 of the Code. Investors of any Series 2024H-2 Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Series 2024H-2 Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. Owners of Series 2024H-2 Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning such Series 2024H-2 Bonds.

Market Discount. An investor that acquires a Series 2024H-2 Bond for a price less than the adjusted issue price of such instrument may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Series 2024H-2 Bond originally issued at a discount, the amount by which the issue price of such instrument, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series 2024H-2 Bond not originally issued at a discount, the amount by which the stated redemption price of such instrument at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2024H-2 Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the instrument, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such an instrument or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series 2024H-2 Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2024H-2 Bond that acquired such instrument at a market discount also may be required to defer, until the maturity date of such instrument or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such instrument in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such instrument. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2024H-2 Bond for the days during the taxable year on which the owner held such instrument and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2024H-2 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

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

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series 2024H-2 Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2024H-2 Bonds and to gain on the sale of a Series 2024H-2 Bond.

Sales or Other Dispositions. If an owner of a Series 2024H-2 Bond sells the instrument, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such instrument. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series 2024H-2 Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series 2024H-2 Bond should consult its own tax advisor concerning the circumstances in which such instrument would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of a Series 2024H-2 Bond may result in a deemed sale or exchange of such instrument under certain circumstances. The owner of such a Series 2024H-2 Bond should consult its tax advisors as to the federal income tax consequences of such a defeasance.

Foreign Investors. An owner of a Series 2024H-2 Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2024H-2 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2024H-2 Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax may apply to interest paid and original issue discount accruing on Series 2024H-2 Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2024H-2 Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2024H-2 Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2024H-2 Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. Unrelated business taxable income generally means the gross income derived by an organization from any unrelated trade or business as defined in Section 513 of the Code. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series 2024H-2 Bond incurs acquisition indebtedness with respect to such instrument, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series 2024H-2 Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R.

Section 2510.3 (as modified by Section 3(42) of ERISA), such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans," and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, "Plans")) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2024H-2 Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2024H-2 Bonds, could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the issuer or conduit borrower, if any, of the Series 2024H-2 Bonds or any dealer of the Series 2024H-2 Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2024H-2 Bonds are acquired by such plans or arrangements with respect to which the issuer or any conduit borrower of the Series 2024H-2 Bonds or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2024H-2 Bonds. The sale of the Series 2024H-2 Bonds to a Plan is in no respect a representation by the issuer or conduit borrower, if any, of the Series 2024H-2 Bonds or any dealer that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular Plan. Any plan proposing to invest in the Series 2024H-2 Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Neither the issuer or conduit borrower, if any, of the Series 2024H-2 Bonds nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the Series 2024H-2 Bonds or an interest in the Series 2024H-2 Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series 2024H-2 Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the Series 2024H-2 Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2024H-1 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 2024H-1 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 2024H-1 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 2024H-1 Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2024H-1 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 2024H-1 Bonds.

Prospective purchasers of the Series 2024H-1 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 2024H Bonds are subject to the approval of Kutak Rock LLP, Bond Counsel to the Authority with respect to the Series 2024H Bonds. The approving opinion of Bond Counsel substantially in the form set forth as APPENDIX E hereto, will be delivered with the Series 2024H Bonds. Certain legal matters will be passed upon for the Authority by its general counsel, Christina McClernon, Esq. Certain legal matters will be passed upon for the Underwriter by its counsel, Chapman and Cutler 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 2024H 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 2024H Bonds.

UNDERWRITING

The Series 2024H Bonds are being purchased by the Underwriter 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 2024H Bonds at a purchase price equal to $99,731,341.95. The Underwriter will receive compensation in connection therewith in the aggregate amount of $747,613.52. The initial public reoffering prices of the Series 2024H 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.

J.P. Morgan Securities LLC has entered into negotiated dealer agreements (each, a *"Dealer Agreement"*) with each of Charles Schwab & Co., Inc. (*"CS&Co."*) and LPL Financial LLC (*"LPL"*) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2024H Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any Series 2024H Bonds that such firm sells.

In the ordinary course of their various business activities, the Underwriter and its 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 2024H 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 2024H Borrowers not later than 180 days following the end of each Series 2024H Borrower's fiscal year and notice of certain events, *provided* that the Authority receives such financial statements from the respective Series 2024H Borrowers. 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, 2025.

Other Information Available to Bondholders. Pursuant to the Authority's Continuing Disclosure Undertaking, commencing January 1, 2025, the Authority agrees to provide the following information about the Risk Share 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.

From April 2022 through June 2024, the Authority failed to timely file event notices with respect to certain interest rate swap agreements. The appropriate filings were subsequently filed by the Authority on EMMA.

Series 2024H Borrower Undertakings

In connection with the issuance of the Series 2024H Bonds, each Series 2024H Borrower shall enter into a Continuing Disclosure Undertaking for the benefit of Series 2024H Bondowners, a form of which is attached as APPENDIX H hereto. Pursuant to such undertaking, each Series 2024H Borrower shall agree to provide to the Authority its Annual Financial Statements (expected within 150 days of the end of the fiscal year for such Series 2024H Borrower) and Annual Financial Information related to its applicable Risk Share Loan and its applicable Series 2024H Financed Development commencing with the first fiscal year ending for such Series 2024H Borrower following the date of issuance of the Series 2024H 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 2024H 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.

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ILLINOIS HOUSING DEVELOPMENT AUTHORITY

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

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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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, 2024

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ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A Component Unit of the State of Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

TABLE OF CONTENTS

Illinois Housing Development Authority
A Component Unit of the State of Illinois

TABLE OF CONTENTS (Continued)

Illinois Housing Development Authority
A Component Unit of the State of Illinois

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, 2024


Chairman
Mr. King Harris 7/11/16 - Present


Vice-Chairman /Asset Management Committee Chair / Finance Committee Member
Ms. Luz Ramirez 3/13/17 - Present


Treasurer / Finance Committee Chair
Mr. Salvatore Tornatore 2/25/13 - Present


Secretary / Asset Management Committee Member
Ms. Sonia Berg 3/15/24 - Present


Audit Committee Chair / Asset Management Committee Member
Mr. Tom Morsch 11/18/19 - Present


Asset Management Committee Member / Audit Committee Member
Mr. Daniel Hayes 12/16/22 - Present

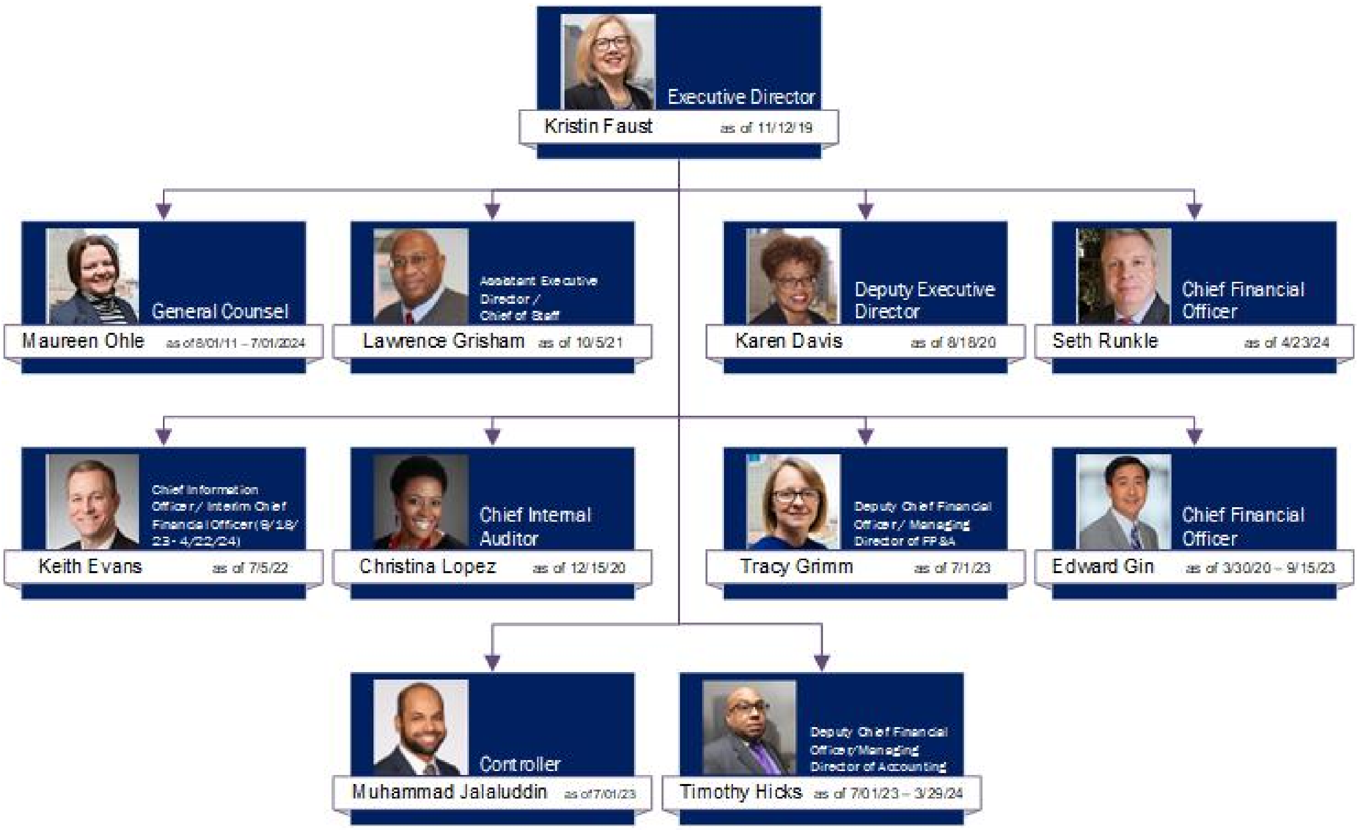

Audit Committee Member
Mr. Brice Hutchcraft 12/16/22 - Present


Finance Committee Member
Ms. Erika Poethig 10/30/23 – Present


Member
Ms. Claire Leopold 5/31/24 – Present


Secretary
Mr. Tommy Arbuckle 9/14/21 – 2/24/24

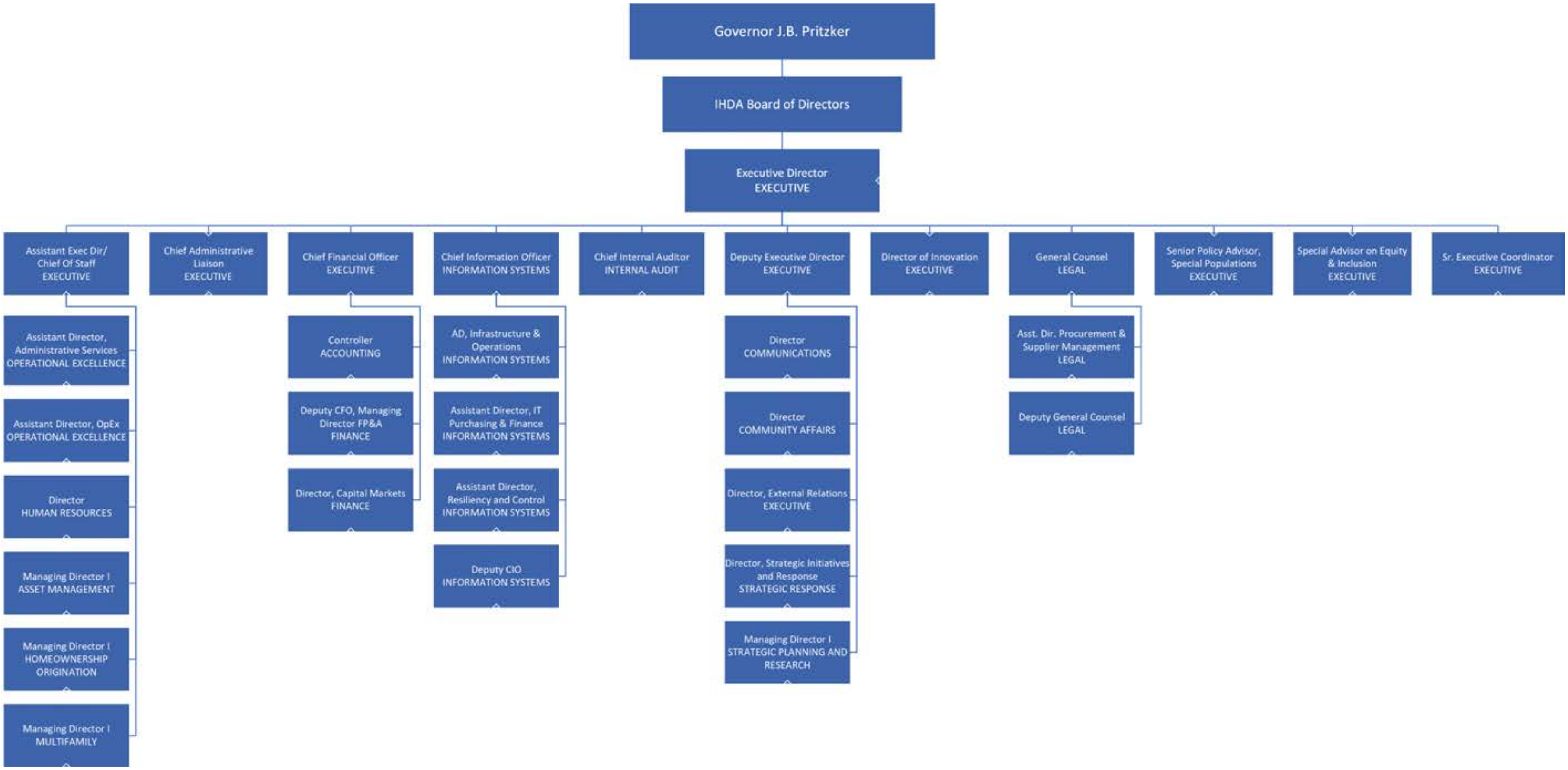
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
AGENCY OFFICIALS
YEAR ENDED JUNE 30, 2024



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, 2024



ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
LETTER OF TRANSMITTAL
YEAR ENDED JUNE 30, 2024

ILLINOIS HOUSING
DEVELOPMENT AUTHORITY
WWW.IHDA.ORG

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

November 25, 2024

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 ending June 30, 2024, 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 Illinois Compiled Statutes 310/2) and to file a complete audit, including annual financial statements, to the Illinois Office of the Auditor General 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 to finance the development of decent, safe, and sanitary housing for persons and families of low- and moderate-income in the State and assist 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.

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) Capacity Building and Coordination with Partner Agencies.

The Authority implements an executive budget each fiscal year. The executive budget is reviewed and approved by the Executive Director, monitored for compliance on a monthly basis, 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 2023 was 12,549,689, a decrease of 332,446 from the population reported in 2013. This represents a decrease of 2.6% over ten years compared to a national population increase of 5.9% in that same time.

Illinois' median household income was $80,306 in 2023, 3.3% above the national median of $77,719. The State's average unemployment rate for 2023 was 4.5% compared to the nation's average of approximately 3.7%. An estimated 11.6% of the State's population is below the federal poverty level compared to a national poverty rate of 12.5%.

Illinois' rate of homeownership, as reported by the U.S. Census Bureau, was 67.4% in 2023, compared to a national rate of 65.2%. The median monthly housing costs paid by Illinois homeowners with a mortgage was $1,905, while the median gross rent paid by Illinois tenants was $1,238. Recent studies have found that an estimated 23.4% of homeowners and 47.9% of renters in Illinois are considered housing cost-burdened.

Total housing production in Illinois during 2023 totaled 16,863 units with 10,373 residential building permits issued, down from 2022 when 10,547 permits were issued for 20,549 units.

It is IHDA's mission to finance the creation and preservation of affordable housing in Illinois. As extreme construction costs, high property insurance costs, higher interest rates and other challenges exacerbate affordability challenges for homeowners and apartment building owners alike, the Authority maintained a proactive and innovative approach to fulfilling this mission in service to low-income and moderate-income families, older adults, persons with disabilities, persons at risk of homelessness, and other priority populations in Illinois.

Current Major Initiatives

<u>Affordable Rental Housing</u>

IHDA made significant progress in multifamily finance in FY2024, leveraging state and federal resources with access to private capital to create affordable housing for families, older adults, and persons with disabilities. During the course of the year, IHDA allocated $774.5 million in state and federal resources, awarded state and federal tax credits that generated $481.9 million in private investment, and leveraged an additional $455.0 million in non-Authority resources to finance the construction or preservation of 42 affordable rental developments in communities throughout the State. Located in 24 cities across 19 counties, these properties contain 3,146 affordable rental units, all of which are designated for income-eligible households.

In addition to creating and preserving affordable rental housing, the Authority takes an active approach to oversee its rental portfolio, which includes 105,225 units in 1,978 developments. To ensure Authority-financed properties remain financially viable and well-maintained over the long term, IHDA works directly with 465 unique property 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.

Affordable Homeownership

Helping more Illinoisans achieve affordable and sustainable homeownership is a priority for the Authority. In FY2024, IHDA originated $1.7 billion in first mortgage loans and $63.2 million in down payment assistance to help 8,864 Illinois families purchase their first home in 93 of Illinois' 102 counties. This assistance was provided through six unique down payment assistance programs that provided varying levels of assistance designed to address many of the common barriers first-time homebuyers face.

Not all barriers to homeownership are financial, and IHDA is also committed to bridging the knowledge gaps that have kept many first-time buyers on the sidelines. Among other efforts, IHDA has partnered with the Federal Home Loan Bank of Chicago on a new program that will facilitate expanded housing counseling, financial education, and other services in communities that have historically been marginalized from the housing market.

Emergency Foreclosure and Eviction Prevention

The COVID-19 pandemic exposed long standing housing insecurities many Illinoisans were already facing, particularly in communities of color that were more likely to experience job losses due to the pandemic. IHDA's emergency assistance programs helped thousands of households to avoid eviction or foreclosure from FY2020 to FY2023, but more help was needed in FY2024 as state and federal protections began to expire.
By the time IHDA's emergency assistance programs ended in mid-FY2024, the Authority had provided more than $1.4 billion in emergency rental and mortgage assistance, helping more than 164,000 households since the start of the COVID-pandemic. This allowed Illinois households the time and support they needed to regain their financial stability and avoid eviction and foreclosure. While these programs are now closed, IHDA continues to administer a state-funded program that offers financial assistance and legal support for renters in eviction court and funds a network of HUD-certified housing counseling agencies who provide free counseling and financial education services in communities across the state.

Home Rehabilitation and Repair

For many families, the high costs of repairs and maintenance can make homeownership unaffordable. The Census reports that 37.3% of all housing units throughout Illinois were built before 1960, 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 has increased by 36.6% since 2010, and while they may have the financial means to stay in their homes, older adults or persons with disabilities are often forced to relocate due to accessibility concerns. For these reasons, the Authority works to help municipalities maintain affordability, improve accessibility, and preserve the quality of the State's single-family housing stock.

In FY2024 IHDA utilized funds from the Illinois Affordable Housing Trust Fund to offer three programs that help existing homeowners make costly improvements and repairs. Together these programs awarded $3.1 million in funding to municipalities and non-profit agencies in 26 counties to help 144 families, seniors, and persons with disabilities remain comfortable and safe in their homes.

Community Revitalization

IHDA is committed to building the capacity of smaller and rural cities to plan for their future, and as a part of this commitment provides grant programs, free planning services, and technical assistance programs designed to empower Illinois communities to meet their housing needs.

The Authority administered two community revitalization programs in FY2024 that provided $4.1 million to local jurisdictions for the purpose of acquiring 491 vacant or abandoned properties and returning them to productive and taxable use, either as affordable housing or other means. In cases where the properties are beyond repair and negatively impacting neighboring residences, the programs also provide funds for demolition.

Capacity Building and Coordination Efforts

Proactive planning is essential for creating or preserving affordable housing that meets the specific needs and preferences of a community, and the Authority continued to form partnerships and build the capacity of the affordable housing community in FY2024.

In addition to publishing Authority-made site selection and market analysis tools, IHDA provides direct technical assistance to communities looking to identify and address their own local housing needs via its Community Revitalization Technical Assistance Network. As of the end of FY2024, IHDA had completed and published 17 community revitalization plans in partnership with municipalities in central and downstate Illinois, each one tailored to address specific goals related to employment, community amenities, affordable housing, and more.

IHDA also continued to support several capacity-building efforts designed to support affordable housing industry in Illinois. The Next Gen program, launched in late FY2024, is a new effort that provides capital, training, and technical assistance to emerging developers who have historically faced institutional barriers to participating in the Low-Income Housing Tax Credit Program. Participants will be eligible to apply for pre-development loans that support pre-construction, planning, and other early costs.

FY2024 was also the third year of the Supportive Housing Institute, a capacity-building program designed to increase the production of supportive housing for vulnerable populations. Intended for 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. Notably, nine of the 16 teams that completed the first two years of the Institute have had their project financing approved by the IHDA board.

Other Information

Independent Audit

The Authority 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, 2024, 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, sufficient liquidity and lastly 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, 2023. This was the third 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.

Acknowledgments

This report gives a reliable, complete picture of the Authority's financial operations for Fiscal Year 2024. 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.

Sincerely,

Kristin Faust
Executive Director

Seth Runkle
Chief Financial Officer

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, 2023

Christopher P. Morrill

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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2024, 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

CliftonLarsonAllen LLP

Oak Brook, Illinois
November 25, 2024

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, 2024. 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 $84.8 million, to $1,373.8 million as of June 30, 2024, from an increase in the Authority's governmental activities of $27.6 million and an increase in business-type activities $57.2 million.

- The Authority's gross debt issuances during the fiscal year ended June 30, 2024, totaled $1,754.8 million. The Authority's debt outstanding (net of discounts and premiums) totaled $4.2 billion as of June 30, 2024, which was $1,431.0 million more than the amount outstanding as of June 30, 2023. More details on the Authority's gross debt issuances can be found in Note 8 - Bonds and Notes Payable.

- Appropriation and intergovernmental agreement in governmental activities amounted to $323 million for the programs and funding sources presented in the table below.

Programs	Funding Source	Appropriation Amount (in Millions)	
COVID-19 Affordable Housing Grant Program (CAHGP)	Department of Human Services	$	140.0
Permanent Supportive Housing Development Program (PSH)	State and Local Fiscal Recovery Funds - US Dept of Treasury		40.0
IHDA Mortgage Opening Doors Program (Opening Doors)	State and Local Fiscal Recovery Funds - US Dept of Treasury		20.0
Court Based Eviction Prevention Program (CBRAP)	Illinois Department of Human Services		84.0
Chicago Based Eviction Prevention Program (Chicago CBRAP) (IGA)	City of Chicago		10.0
Homeowners Assistance Fund - Home Repair Program (HAF-HR)	Homeowner Assistance Fund Appropriation - US Dept of Treasury		29.0

- Program loan originations for fiscal year 2024 totaled $17.0 million and $189.3 million in the Authority's governmental and business-type activities, respectively, compared to fiscal year 2023 loan originations of $19.3 million and $93.4 million, 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 four 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.

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 Human Services (IDHS) or received directly from HUD. These fund statements represent cash and other assets received and used by the government funds.

Proprietary funds – The Authority's primary activities are in its four 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 IHDA Dispositions LLC is primarily funded by rental income collected by the properties until such time as disposition occurs. The net position of these funds represents accumulated earnings since their inception and is generally restricted for program purposes.

Financial Analysis of the Authority as a Whole

Net Position

The combined net position of the Authority increased by $84.8 million, or 6.6%, from July 1, 2023, through June 30, 2024. The following table shows a summary of changes from prior year amounts:

Condensed Statements of Net Position

Illinois Housing Development Authority's Net Position
(in millions of dollars)

	Governmental Activities		Increase/(Decrease)		Business-Type Activities		Increase/(Decrease)		Total		Increase/(Decrease)	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Current Assets:												
Cash and Investments –Unrestricted	$ 323.9	$ 595.6	$ (271.7)	(45.6)%	$ 684.8	$ 741.9	$ (57.1)	(7.7)%	$ 1,008.7	$ 1,337.5	$ (328.8)	(24.6)%
Investments - Restricted	25.4	37.0	(11.6)	(31.4)	222.5	344.9	(122.4)	(35.5)	247.9	381.9	(134.0)	(35.1)
Net Program Loans Receivable	47.5	45.3	2.2	4.9	19.7	18.5	1.2	6.5	67.2	63.8	3.4	5.3
Other Current Assets	61.6	39.1	22.5	57.5	36.8	17.9	18.9	105.6	98.4	57.0	41.4	72.6
Total Current Assets	458.4	717.0	(258.6)	(36.1)	963.8	1,123.2	(159.4)	(14.2)	1,422.2	1,840.2	(418.0)	(22.7)
Noncurrent Assets:												
Investments	—	—	—	—	185.1	193.2	(8.1)	(4.2)	185.1	193.2	(8.1)	(4.2)
Investments – Restricted	16.9	7.8	9.1	116.7	3,411.6	1,850.7	1,560.9	84.3	3,428.5	1,858.5	1,570.0	84.5
Net Program Loans Receivable	712.3	669.9	42.4	6.3	665.0	555.3	109.7	19.8	1,377.3	1,225.2	152.1	12.4
Capital Assets, Net	—	—	—	—	33.7	32.7	1.0	3.1	33.7	32.7	1.0	3.1
Other Assets	—	0.1	(0.1)	(100.0)	80.1	56.5	23.6	41.8	80.1	56.6	23.5	41.5
Total Noncurrent Assets	729.2	677.8	51.4	7.6	4,375.5	2,688.4	1,687.1	62.8	5,104.7	3,366.2	1,738.5	51.6
Total Assets	$ 1,187.6	$ 1,394.8	$ (207.2)	(14.9)%	$ 5,339.3	$ 3,811.6	$ 1,527.7	40.1 %	$ 6,526.9	$ 5,206.4	$ 1,320.5	25.4 %
Deferred Outflow of Resources:												
Accumulated Decrease in Fair Value of Hedge Derivatives	$ —	$ —	$ —	— %	$ 2.7	$ 0.3	$ 2.4	800.0 %	$ 2.7	$ 0.3	$ 2.4	800.0 %
Current Liabilities:												
Due to Grantees	$ 72.4	$ 68.1	$ 4.3	6.3 %	$ —	$ —	$ —	— %	$ 72.4	$ 68.1	$ 4.3	6.3 %
Due to State of Illinois	141.2	149.2	(8.0)	(5.4)	—	—	—	—	141.2	149.2	(8.0)	(5.4)
Bonds and Notes Payable	—	—	—	—	161.7	138.9	22.8	16.4	161.7	138.9	22.8	16.4
Deposits Held in Escrow	—	—	—	—	166.4	153.9	12.5	8.1	166.4	153.9	12.5	8.1
Other Current Liabilities	136.9	399.6	(262.7)	(65.7)	70.4	56.5	13.9	24.6	207.3	456.1	(248.8)	(54.5)
Total Current Liabilities	350.5	616.9	(266.4)	(43.2)	398.5	349.3	49.2	14.1	749.0	966.2	(217.2)	(22.5)
Noncurrent Liabilities:												
Due to State of Illinois	349.1	317.7	31.4	9.9	—	—	—	—	349.1	317.7	31.4	9.9
Bonds and Notes Payable	—	—	—	—	4,005.3	2,597.1	1,408.2	54.2	4,005.3	2,597.1	1,408.2	54.2
Other Liabilities	—	—	—	—	6.9	7.1	(0.2)	(2.8)	6.9	7.1	(0.2)	(2.8)
Total Noncurrent Liabilities	349.1	317.7	31.4	9.9	4,012.2	2,604.2	1,408.0	54.1	4,361.3	2,921.9	1,439.4	49.3
Total Liabilities	$ 699.6	$ 934.6	$ (235.0)	(25.1)%	$ 4,410.7	$ 2,953.5	$ 1,457.2	49.3 %	$ 5,110.3	$ 3,888.1	$ 1,222.2	31.4 %

Condensed Statements of Net Position (Continued)

Illinois Housing Development Authority's Net Position
(in millions of dollars)

	Governmental Activities		Increase/(Decrease)		Business-Type Activities		Increase/(Decrease)		Total		Increase/(Decrease)	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Deferred Inflow of Resources:												
Accumulated Increase in Fair Value of Hedging Derivatives	$ —	$ —	$ —	— %	$ 34.9	$ 21.2	$ 13.7	64.6 %	$ 34.9	$ 21.2	$ 13.7	64.6 %
Deferred Revenue	—	—	—	—	10.4	8.5	1.9	22.4	10.4	8.5	1.9	22.4
Net Position:												
Net Investment in Capital Assets	$ —	$ —	$ —	— %	$ 16.7	$ 11.5	$ 5.2	45.2 %	$ 16.7	$ 11.5	$ 5.2	45.2 %
Restricted	487.8	460.2	27.6	6.0	575.6	554.2	21.4	3.9	1,063.4	1,014.4	49.0	4.8
Unrestricted	—	—	—	—	293.7	263.1	30.6	11.6	293.7	263.1	30.6	11.6
Total Net Position	$ 487.8	$ 460.2	$ 27.6	6.0 %	$ 886.0	$ 828.8	$ 57.2	6.9 %	$ 1,373.8	$ 1,289.0	$ 84.8	6.6 %

Net position may serve over time as a useful indicator of a government's financial position. The Authority's assets and deferred outflows exceeded its liabilities and deferred inflows by $1,373.8 million, at the close of June 30, 2024.

Governmental Activities

Net position of governmental activities increased by $27.6 million or 6% from the previous year due to an increase in net programs loans receivable of $44.6 million primarily in the Illinois Affordable Housing Trust Fund of $32.9 million due to higher loan closings, a decrease in other current liabilities of $262.7 million and a decrease in Current Due to State of Illinois of ($8.0) million offset by a decrease in total cash and investments of ($271.7) million. Grants and administrative expenses were the primary drivers for the decrease in other current liabilities in COVID-19 Emergency Rental Assistance Fund $(97.7) million, COVID-19 Homeowner Assistance Fund $(128.1) million and COVID-19 State and Local Fiscal Recovery Fund $(34.5) million. Consequently, reducing cash and investments for these programs.

The net position of the Illinois Affordable Housing Trust Fund is recorded as Due to the State of Illinois as the Authority acts only as the administrator of the Housing Program and considers its interest in the net position to be that of the State of Illinois. Revenues of 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 fund balances.

Business-Type Activities

Net position of business type activities increased by $57.2 million or 6.9% from the previous year as a result of increased total cash and investments of $1,373.3 million and higher net program loans receivable of $110.9 million due to loan originations exceeding loan repayments offset by increased bonds and notes payable of $1,431 million due to higher bond issuances. The bond proceeds net of related issuance costs resulted in higher cash and investments.

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.

A summary of changes in net position for the fiscal year ended June 30, 2024, is shown in the following table.

Changes in Net Position
(In millions of dollars)

	Governmental Activities		Increase/(Decrease)		Business-Type Activities		Increase/(Decrease)		Total		Increase/(Decrease)	
	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Revenue:												
Program Revenues:												
Charges for Services	$ 28.2	$ 22.2	$ 6.0	27.0 %	$ 75.1	$ 73.6	$ 1.5	2.0 %	$ 103.3	$ 95.8	$ 7.5	7.8 %
Operating/Grant/Federal Revenues	486.4	506.5	(20.1)	(4.0)	5.7	10.6	(4.9)	(46.2)	492.1	517.1	(25.0)	(4.8)
General Revenues:												
Investment Income	—	—	—	—	172.5	30.7	141.8	461.9	172.5	30.7	141.8	461.9
Total Revenues	514.6	528.7	(14.1)	(2.7)	253.3	114.9	138.4	120.5	767.9	643.6	124.3	19.3
Expenses:												
Direct	433.8	431.7	2.1	0.5	198.1	122.1	76.0	62.2	631.9	553.8	78.1	14.1
Administrative	53.2	56.5	(3.3)	(5.8)	5.7	10.7	(5.0)	(46.7)	58.9	67.2	(8.3)	(12.4)
Total Expenses	487.0	488.2	(1.2)	(0.2)	203.8	132.8	71.0	53.5	690.8	621.0	69.8	11.2
Capital Contributions and Transfers:												
Capital Contributions	—	—	—	—	7.7	—	7.7	—	7.7	—	7.7	—
Transfers In/Out	—	(0.2)	0.2	100.0	—	0.2	(0.2)	(100.0)	—	—	—	—
Total Capital Contributions and Transfers	—	(0.2)	0.2	100.0	7.7	0.2	7.5	3750.0	7.7	—	7.7	—
Increase (Decrease) in Net Position	27.6	40.3	(12.7)	(31.5)	57.2	(17.7)	74.9	(423.2)	84.8	22.6	62.2	275.2
Net Position at Beginning of the Year	460.2	419.9	40.3	9.6	828.8	846.5	(17.7)	(2.1)	1,289.0	1,266.4	22.6	1.8
Net Position at End of the Year	$ 487.8	$ 460.2	$ 27.6	6.0 %	$ 886.0	$ 828.8	$ 57.2	6.9 %	$ 1,373.8	$ 1,289.0	$ 84.8	6.6 %

Governmental Activities

Revenues of the Authority's governmental activities decreased by $(14.1) million. The most significant factor contributing to the decrease was lower grants from State of Illinois for Illinois Affordable Housing Trust Fund and Build Illinois Bond Program Fund in the amount of $9.3 million and $16.9 million, respectively offset by higher grants for Rental Housing Support Program Fund of $6.9 million. Administrative expenses decreased by $(3.3)million primarily due to COVID-19 Homeowner Assistance Fund program close out in December 2024.

Business-Type Activities

Revenues of the Authority's business-type activities increased by $138.4 million due to higher investment income in the amount of $141.8 million as a result of higher investments and related earning in the Single Family Program Fund of $134.1 million and net receipts from hedge contract settlements of approximately $8.0 million in Administrative Fund offset by an increase of $76.0 million in direct expenses as a result of higher interest expense of $61.0 million primarily in the Single Family Program Fund of $58.0 million driven by bond issuances, higher financing cost of $5.7 million, and an increase of professional service fee of $1.1 million. Capital contributions consist of $7.7 million due to IHDA Dispositions LLC. Refer to Note 2M IHDA Dispositions LLC Real Estate Held for Sale.

Proprietary Fund Result

The net position of the Authority's proprietary funds increased by $57.2 million to $886.0 million from June 30, 2023 to June 30, 2024. The following table summarizes the revenues, expenses, and changes in fund net position of the Authority's proprietary funds:

Changes in Net Position/Proprietary Funds

(In millions of dollars)

	Administrative Fund		Inc/(Dec)		Mortgage Loan Program Fund		Inc/(Dec)	
	2024	2023	$	%	2024	2023	$	%
Operating Revenues:								
Interest Earned on Program Loans	$ 1.0	$ 0.8	$ 0.2	25.0 %	$ 18.7	$ 16.4	$ 2.3	14.0 %
Interest and Other Income	25.7	24.8	0.9	3.6	15.4	11.9	3.5	29.4
Service Fees	10.7	13.5	(2.8)	(20.7)	—	—	—	—
Development Fees	10.0	7.6	2.4	31.6	—	—	—	—
HUD Savings	0.3	0.3	—	—	—	—	—	—
Tax Credit Reservation and Monitoring Fees	10.1	11.4	(1.3)	(11.4)	—	—	—	—
Other Income	6.6	6.4	0.2	3.1	14.0	13.3	0.7	5.3
Total Operating Revenues	64.4	64.8	(0.4)	(0.6)	48.1	41.6	6.5	15.6
Operating Expenses:								
Interest Expense	3.3	2.4	0.9	37.5	14.9	12.8	2.1	16.4
Salaries and Benefits	23.5	27.8	(4.3)	(15.5)	—	—	—	—
Professional Fees	2.7	1.6	1.1	68.8	—	—	—	—
Amortization Expense - Lease	1.3	1.4	(0.1)	(7.1)	—	—	—	—
Amortization Expense - SBITA	1.2	1.1	0.1	9.1	—	—	—	—
Other General and Administrative	3.5	2.1	1.4	66.7	6.1	6.7	(0.6)	(9.0)
Financing Costs	2.3	2.6	(0.3)	(11.5)	0.1	0.1	—	—
Program Grants	14.9	4.1	10.8	263.4	—	—	—	—
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	(1.6)	0.5	(2.1)	(420.0)	—	—	—	—
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(1.0)	(2.6)	1.6	61.5	5.3	0.1	5.2	5200.0
Total Operating Expenses	50.1	41.0	9.1	22.2	26.4	19.7	6.7	34.0
Operating Income	14.3	23.8	(9.5)	(39.9)	21.7	21.9	(0.2)	(0.9)
Nonoperating Revenues and Expenses								
Gain/Loss on Investment Sale Revenue	8.0	(1.3)	9.3	715.4	—	—	—	—
Net Increase (Decrease) in Fair Value of Investments	2.5	(1.9)	4.4	231.6	0.8	(0.5)	1.3	260.0
Federal Assistance Programs Revenues	5.7	10.7	(5.0)	(46.7)	—	—	—	—
Federal Assistance Programs Expenses	(5.7)	(10.7)	5.0	46.7	—	—	—	—
Total Nonoperating Revenues and Expenses	10.5	(3.2)	13.7	428.1	0.8	(0.5)	1.3	260.0
Transfers	(3.7)	(0.3)	(3.4)	(1,133.3)	—	—	—	—
Change in Net Position	21.1	20.3	0.8	3.9	22.5	21.4	1.1	5.1
Net Position at Beginning of Year	391.3	371.0	20.3	5.5	389.9	368.5	21.4	5.8
Net Position at End of Year	$ 412.4	$ 391.3	$ 21.1	5.4 %	$ 412.4	$ 389.9	$ 22.5	5.8 %

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

	Single Family Program Fund		Inc/(Dec)		Nonmajor IHDA Dispositions LLC		Inc/(Dec)		Total		Inc/(Dec)	
	2024	2023	$	%	2024	2023	$	%	2024	2023	$	%
Operating Revenues:												
Interest Earned on Program Loans	$ 3.5	$ 4.0	$ (0.5)	(12.5)%	$ —	$ —	$ —	— %	$ 23.2	$ 21.2	$ 2.0	9.4 %
Interest and Other Income	134.1	64.7	69.4	107.3	—	—	—	—	175.2	101.4	73.8	72.8
Service Fees	—	—	—	—	—	—	—	—	10.7	13.5	(2.8)	(20.7)
Development Fees	—	—	—	—	—	—	—	—	10.0	7.6	2.4	31.6
HUD Savings	—	—	—	—	—	—	—	—	0.3	0.3	—	—
Tax Credit Reservation and Monitoring Fees	—	—	—	—	—	—	—	—	10.1	11.4	(1.3)	(11.4)
Rental Income and Vacancies	—	—	—	—	0.3	—	0.3	—	0.3	—	0.3	—
Other Income	—	—	—	—	—	—	—	—	20.6	19.7	0.9	4.6
Total Operating Revenues	137.6	68.7	68.9	100.3	0.3	—	0.3	—	250.4	175.1	75.3	43.0
Operating Expenses:												
Interest Expense	107.5	49.5	58.0	117.2	—	—	—	—	125.7	64.7	61.0	94.3
Salaries and Benefits	—	—	—	—	—	—	—	—	23.5	27.8	(4.3)	(15.5)
Professional Fees	—	—	—	—	—	—	—	—	2.7	1.6	1.1	68.8
Amortization Expense - Lease	—	—	—	—	—	—	—	—	1.3	1.4	(0.1)	(7.1)
Amortization Expense - SBITA	—	—	—	—			—	—	1.2	1.1	0.1	9.1
Other General and Administrative	0.6	0.3	0.3	100.0	0.3	—	0.3	—	10.5	9.1	1.4	15.4
Financing Costs	12.8	6.8	6.0	88.2	—	—	—	—	15.2	9.5	5.7	60.0
Program Grants	—	5.2	(5.2)	(100.0)	—	—	—	—	14.9	9.3	5.6	60.2
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	—	—	—	—	—	—	—	—	(1.6)	0.5	(2.1)	(420.0)
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	0.1	(0.9)	1.0	111.1	—	—	—	—	4.4	(3.4)	7.8	229.4
Provision for Estimated Losses on Real Estate Held for Sale	0.3	0.6	(0.3)	(50.0)	—	—	—	—	0.3	0.6	(0.3)	(50.0)
Total Operating Expenses	121.3	61.5	59.8	97.2	0.3	—	0.3	—	198.1	122.2	75.9	62.1
Operating Income	16.3	7.2	9.1	126.4	—	—	—	—	52.3	52.9	(0.6)	(1.1)
Nonoperating Revenues and Expenses												
Gain/Loss on Investment Sale Revenue	0.3	0.9	(0.6)	(66.7)	—	—	—	—	8.3	(0.4)	8.7	2175.0
Net Increase (Decrease) in Fair Value of Investments	(14.4)	(67.9)	53.5	78.8	—	—	—	—	(11.1)	(70.3)	59.2	84.2
Federal Assistance Programs Revenues	—	—	—	—	—	—	—	—	5.7	10.7	(5.0)	(46.7)
Federal Assistance Programs Expenses	—	—	—	—	—	—	—	—	(5.7)	(10.7)	5.0	46.7
Total Nonoperating Revenues and Expenses	(14.1)	(67.0)	52.9	79.0	—	—	—	—	(2.8)	(70.7)	67.9	96.0
Capital Contribution	—	—	—	—	7.7	—	7.7	—	7.7	—	7.7	—
Transfers	3.7	0.4	3.3	825.0	—	—	—	—	—	0.1	(0.1)	(100.0)
Change in Net Position	5.9	(59.4)	65.3	109.9	7.7	—	7.7	—	57.2	(17.7)	74.9	423.2
Net Position at Beginning of Year	47.6	107.0	(59.4)	(55.5)	—	—	—	—	828.8	846.5	(17.7)	(2.1)
Net Position at End of Year	$ 53.5	$ 47.6	$ 5.9	12.4 %	$ 7.7	$ —	$ 7.7	— %	$ 886.0	$ 828.8	$ 57.2	6.9 %

The net position of the Administrative Fund increased by $21.1 million compared to prior year increase of $20.3 million. Operating income was $14.3 million, a decrease of $(9.5) million compared to prior year operating income of $23.8 million, and net transfers out were $(3.7) million, compared to $(0.3) million in the prior year due to funding of costs of issuance for five Revenue Bonds for Single Family Programs which came out of the Administrative Fund. The decrease in fiscal year 2024 operating income was primarily due to higher program grants of $10.8 million.

The net position of the Mortgage Loan Program Fund increased by $22.5 million, compared to the prior year's increase of $21.4 million. Operating income was $21.7 million, a decrease of $(0.2) million from prior year, mainly due to an increase in interest earned on program loans of $2.3 million, an increase in interest and other income of $3.5 million, other income of $0.7 million, offset by higher interest expense of $2.1 million and provision for estimated losses of $5.2 million.

The net position of the Single Family Program Fund increased by $5.9 million, compared to the prior year's decrease of $(59.4) million. Operating income was $16.3 million, an increase of $9.1 million from prior year, primarily due to an increase in investments and higher short-term interest rates resulting in higher earnings $69.4 million, with a decrease in program grants of $(5.2) million offset by higher interest expense of $58.0 million and an increase in financing cost of $6.0 million as a result of new bond issuances.

Non-operating Revenues and Expenses

Total fiscal year 2024 non-operating revenues and expenses increased by $67.9 million to $(2.8) million compared to fiscal year 2023 of $(70.7) million. The increase was primarily due to $59.2 million improvement in fair value of investments and $8.7 million higher gain on investment sale.

Authority Debt

The Authority's debt increased by $1,431.0 million due to debt issuances and debt retirements during fiscal year 2024 are as follows (in millions):

	Debt Issuances	Debt Retirements
Administrative Fund	$ 5,254.5	$ 5,232.8
Single Family Program Fund	1,678.4	341.8
Premium on Revenue Bonds	21.0	—
Discount on Revenue Bonds	—	7.0
Mortgage Loan Program Fund	76.4	17.7
Total	$ 7,030.3	$ 5,599.3

For additional information, see Note 8 – Bonds and Notes Payable in the Notes to the Financial Statements.

As of June 30, 2024, the Authority's Issuer Credit Ratings were Aa3 (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 Moody's from A1 to Aa3 in October 2023.

Economic Factors and Outlook

During the majority of fiscal year 2024, 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 $794.2 million, and taxable fixed/variable rate long-term bonds in the amount of $884.2 million in the Single Family Program excluding premium. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multifamily Program in the amount of $69.8 million and taxable fixed/variable rate long-term bonds in the amount of $6.6 million in the Multifamily Program.

During fiscal year 2024, 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 the Authority moves into fiscal year 2025 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 2024. More details on capital asset activity can be found in Note 7 – Capital Assets in the Notes to the Financial Statements.

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.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF NET POSITION
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2024

Assets	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	$ —	$ 80,963	$ 80,963
Cash and Cash Equivalents - Restricted	323,925	546,899	870,824
Total Cash and Cash Equivalents	323,925	627,862	951,787
Investments	—	56,975	56,975
Investments - Restricted	25,446	222,547	247,993
Investment Income Receivable	—	1,469	1,469
Investment Income Receivable - Restricted	240	15,832	16,072
Program Loans Receivable	47,451	19,661	67,112
Grant Receivable	63,279	—	63,279
Interest Receivable on Program Loans	234	2,455	2,689
Other	8	14,769	14,777
Internal Balances	(2,207)	2,207	—
Total Current Assets	458,376	963,777	1,422,153
Noncurrent Assets:			
Investments	—	185,107	185,107
Investments - Restricted	16,844	3,411,611	3,428,455
Program Loans Receivable, Net of Current Portion	820,065	680,666	1,500,731
Less Allowance for Estimated Losses	(107,775)	(15,658)	(123,433)
Net Program Loans Receivable	712,290	665,008	1,377,298
Real Estate Held for Sale	—	8,093	8,093
Less Allowance for Estimated Losses	—	(187)	(187)
Net Real Estate Held for Sale	—	7,906	7,906
Due from Fannie Mae	—	28,561	28,561
Due from Freddie Mac	—	4,305	4,305
Capital Assets			
Capital Assets, not being Depreciated	—	16,400	16,400
Capital Assets, net of Accumulated Depreciation	—	17,344	17,344
Derivative Instrument Asset	—	34,907	34,907
Other	42	4,383	4,425
Total Noncurrent Assets	729,176	4,375,532	5,104,708
Total Assets	1,187,552	5,339,309	6,526,861
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	—	2,703	2,703
Total Deferred Outflows of Resources	$ —	$ 2,703	$ 2,703

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, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities:			
Due to Grantees	$ 72,489	$ —	$ 72,489
Due to State of Illinois	141,236	—	141,236
Bonds and Notes Payable	—	161,670	161,670
Accrued Interest Payable	—	42,712	42,712
Unearned Revenue	136,823	1,023	137,846
Deposits Held in Escrow	—	166,384	166,384
Lease Liability	—	1,255	1,255
Subscription Liability	—	932	932
Accrued Liabilities and Other	152	24,535	24,687
Total Current Liabilities	350,700	398,511	749,211
Noncurrent Liabilities:			
Due to State of Illinois	349,091	—	349,091
Bonds and Notes Payable, Net of Current Portion	—	4,005,272	4,005,272
Unearned Revenue	—	770	770
Lease Liability, Net of Current Portion	—	1,876	1,876
Subscription Liability, Net of Current Portion	—	1,599	1,599
Derivative Instrument Liability	—	2,703	2,703
Total Noncurrent Liabilities	349,091	4,012,220	4,361,311
Total Liabilities	699,791	4,410,731	5,110,522
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	—	34,907	34,907
Deferred Revenue	—	10,371	10,371
Total Deferred Inflows of Resources	—	45,278	45,278
Net Position			
Net Investment in Capital Assets	—	16,697	16,697
Restricted for Bond Resolution Purposes	—	528,780	528,780
Restricted for Loan and Grant Programs	487,761	46,807	534,568
Unrestricted	—	293,719	293,719
Total Net Position	$ 487,761	$ 886,003	$ 1,373,764

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, 2024

Functions/programs	Expenses	Program Revenues: Charges for Services and Interest Income	Program Revenues: Operating Grant/ Federal Revenues	Program Revenues: Capital Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental Activities:							
Illinois Affordable Housing Trust Program	$ 22,287	$ 4,236	$ 18,051	$ —	$ —	$ —	$ —
HOME Program	18,081	2,277	21,720	—	5,916	—	5,916
Rental Housing Support Program	20,851	2,721	18,130	—	—	—	—
Build Illinois Bond Program Fund	42,981	3,863	51,014	—	11,896	—	11,896
COVID-19 Emergency Rental Assistance Fund	132,303	4,304	127,999	—	—	—	—
COVID 19 - Homeowner Assistance Fund	130,773	3,553	127,220	—	—	—	—
COVID 19 -State and Local Fiscal Recovery Fund	103,245	5,878	97,367	—	—	—	—
Other Programs	16,472	1,320	24,946	—	9,794	—	9,794
Total Governmental Activities	486,993	28,152	486,447	—	27,606	—	27,606
Business-Type Activities:							
Administrative Programs	55,882	38,638	5,734	—	—	(11,510)	(11,510)
Mortgage Loan Programs	26,430	32,701	—	—	—	6,271	6,271
Single Family Mortgage Loan Programs	121,168	3,493	—	—	—	(117,675)	(117,675)
Other Programs	269	270	—	—	—	1	1
Total Business-Type Activities	203,749	75,102	5,734	—	—	(122,913)	(122,913)
Total Authority	$ 690,742	$ 103,254	$ 492,181	$ —	27,606	(122,913)	(95,307)
General Revenues and Capital Contributions:							
Net Investment Gain					—	172,415	172,415
Capital Contributions					—	7,654	7,654
Total General Revenues and Capital Contributions					—	180,069	180,069
Change in Net Position					27,606	57,156	84,762
Net Position at Beginning of Year					460,155	828,847	1,289,002
Net Position at End of Year					$ 487,761	$ 886,003	$ 1,373,764

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, 2024

	Major Funds								
Assets	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 Fund	Nonmajor Governmental Funds	Total
Current Assets:									
Cash and Cash Equivalents - Restricted	$ 76,381	$ 16,257	$ 12,637	$ 73,151	$ 13,763	$ 20,948	$ 99,961	$ 10,827	$ 323,925
Investments - Restricted	—	—	25,446	—	—	—	—	—	25,446
Investment Income Receivable - Restricted	—	—	240	—	—	—	—	—	240
Program Loans Receivable	20,331	26,736	—	26	—	—	—	358	47,451
Grant Receivable	45,896	—	17,383	—	—	—	—		63,279
Interest Receivable on Program Loans	91	131	—	—	—	—	—	12	234
Other	—	—	—	—	—	8	—	—	8
Due from Other Funds	—	—	—	—	—	586	—	65	651
Total Current Assets	142,699	43,124	55,706	73,177	13,763	21,542	99,961	11,262	461,234
Noncurrent Assets:									
Investments, restricted	—	—	16,844	—	—	—	—	—	16,844
Program Loans Receivable, Net of Current	404,232	312,626	—	10,145	—	—	—	93,062	820,065
Less Allowance for Estimated Losses	(55,141)	(41,102)	—	(3,442)	—	—	—	(8,090)	(107,775)
Net Program Loans Receivable	349,091	271,524	—	6,703	—	—	—	84,972	712,290
Other	—	—	1	11	28	1	—	1	42
Total Noncurrent Assets	349,091	271,524	16,845	6,714	28	1	—	84,973	729,176
Total Assets	$ 491,790	$ 314,648	$ 72,551	$ 79,891	$ 13,791	$ 21,543	$ 99,961	$ 96,235	$ 1,190,410
Liabilities and Fund Balances									
Current liabilities:									
Due to Grantees	$ —	$ —	$ 72,489	$ —	$ —	$ —	$ —	$ —	$ 72,489
Due to State of Illinois	141,236	—	—	—	—	—	—	—	141,236
Unearned Revenue	—	131	—	—	13,240	21,526	99,534	2,535	136,966
Accrued Liabilities and Other	1	1	—	—	49	17	79	5	152
Due to Other Funds	1,462	440	62	8	502	—	348	36	2,858
Total Current Liabilities	142,699	572	72,551	8	13,791	21,543	99,961	2,576	353,701
Noncurrent Liabilities:									
Due to State of Illinois	349,091	—	—	—	—	—	—	—	349,091
Total Liabilities	491,790	572	72,551	8	13,791	21,543	99,961	2,576	702,792
Fund Balances:									
Restricted	—	314,076	—	79,883	—	—	—	93,659	487,618
Total Fund Balances	—	314,076	—	79,883	—	—	—	93,659	487,618
Total Liabilities and Fund Balances	$ 491,790	$ 314,648	$ 72,551	$ 79,891	$ 13,791	$ 21,543	$ 99,961	$ 96,235	$ 1,190,410

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

Unearned Interest Receivable on Certain Program Loans Receivable	$ 143
Net Position of Governmental Activities	$ 487,761

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2024

	Major 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	COVID-19 State and Local Fiscal Recovery Program Fund	Nonmajor Governmental Funds	Total
Revenues:									
Grants from State of Illinois	$ 18,051	$ —	$ 18,130	$ 51,014	$ —	$ —	$ —	$ 168	$ 87,363
Federal Funds	—	21,720	—	—	127,999	127,220	97,367	24,778	399,084
Interest and Other Investment Income	4,235	2,287	2,648	3,863	4,303	3,553	5,878	247	27,014
Net Inc/Dec Fair Value Investment	—	—	73	—	—	—	—	—	73
Other Income	1	—	—	—	1	—	—	1,074	1,076
Total Revenues	22,287	24,007	20,851	54,877	132,303	130,773	103,245	26,267	514,610
Expenditures:									
Debt Services:									
Principal	—	—	—	—	184	310	—	—	494
Interest	—	—	—	—	29	44	—	—	73
General and Administrative	9,044	4,997	704	—	19,200	12,875	3,649	2,723	53,192
Grants	8,452	6,571	20,104	42,975	108,221	113,788	93,530	23,155	416,796
Financing Costs	556	306	43	—	366	203	188	144	1,806
Program Income Transferred to State of Illinois	4,235	—	—	—	4,303	3,553	5,878	98	18,067
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	—	6,207	—	6	—	—	—	(9,648)	(3,435)
Total Expenditures	22,287	18,081	20,851	42,981	132,303	130,773	103,245	16,472	486,993
Excess of Revenues Over Expenditures	—	5,926	—	11,896	—	—	—	9,795	27,617
Net Change in Fund Balances	—	5,926	—	11,896	—	—	—	9,795	27,617
Fund Balances at Beginning of Year	—	308,150	—	67,987	—	—	—	83,864	460,001
Fund Balances at End of Year	$ —	$ 314,076	$ —	$ 79,883	$ —	$ —	$ —	$ 93,659	$ 487,618
Amounts reported for Governmental Activities in the									
Statement of Activities are different due to:									
Unavailable Interest Receivable on Certain Program									
Loans Receivable									(11)
Change in Net Position of Governmental Activities									$ 27,606

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, 2024

	Major Funds				
Assets	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
Current Assets:					
Cash and Cash Equivalents	$ 80,884	$ —	$ —	$ 79	$ 80,963
Cash and Cash Equivalents - Restricted	186,980	286,107	73,812	—	546,899
Total Cash and Cash Equivalents	267,864	286,107	73,812	79	627,862
Investments	56,975	—	—	—	56,975
Investments - Restricted	20,489	19,987	182,071	—	222,547
Investment Income Receivable	1,469	—	—	—	1,469
Investment Income Receivable - Restricted	774	109	14,949	—	15,832
Program Loans Receivable	891	9,275	9,495	—	19,661
Interest Receivable on Program Loans	96	1,821	538	—	2,455
Due from Other Funds	64,555	46,086	—	—	110,641
Other	14,769	—	—	—	14,769
Total Current Assets	427,882	363,385	280,865	79	1,072,211
Noncurrent Assets:					
Investments	185,107	—	—	—	185,107
Investments – Restricted	14,395	24,903	3,372,313	—	3,411,611
Program Loans Receivable, Net of Current Portion	56,636	546,504	77,526	—	680,666
Less Allowance for Estimated Losses	(5,487)	(8,703)	(1,468)	—	(15,658)
Net Program Loans Receivable	51,149	537,801	76,058	—	665,008
Real Estate Held for Sale	75	77	365	7,576	8,093
Less Allowance for Estimated Losses	—	(5)	(182)	—	(187)
Net Real Estate Held for Sale	75	72	183	7,576	7,906
Due from Fannie Mae	—	28,561	—	—	28,561
Due from Freddie Mac	—	4,305	—	—	4,305
Capital Assets					
Capital Assets, not being Depreciated	—	16,400	—	—	16,400
Capital Assets, net of Accumulated Depreciation	6,732	10,612	—	—	17,344
Derivative Instrument Asset	1,352	5,463	28,092	—	34,907
Other	3,968	414	1	—	4,383
Total Noncurrent Assets	262,778	628,531	3,476,647	7,576	4,375,532
Total Assets	690,660	991,916	3,757,512	7,655	5,447,743
Deferred Outflows of Resources					
Accumulated Decrease in Fair Value of Hedging Derivatives	172	267	2,264	—	2,703
Total Deferred Outflows of Resources	$ 172	$ 267	$ 2,264	$ —	$ 2,703

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, 2024

	Major Funds				
Liabilities	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
Current Liabilities:					
Bonds and Notes Payable	$ 34,895	$ 31,810	$ 94,965	$ —	$ 161,670
Accrued Interest Payable	—	6,110	36,602	—	42,712
Unearned Revenue	1,023	—	—	—	1,023
Deposits Held in Escrow	166,384	—	—	—	166,384
Lease Liability	1,255	—	—		1,255
Subscription Liability	932	—	—		932
Accrued Liabilities and Other	12,976	6,205	5,354	—	24,535
Due to Other Funds	46,737	9,023	52,674	—	108,434
Total Current Liabilities	264,202	53,148	189,595	—	506,945
Noncurrent Liabilities:					
Bonds and Notes Payable, Net of Current Portion	8,507	520,858	3,475,907	—	4,005,272
Unearned Revenue	770	—	—	—	770
Lease Liability, Net of Current Portion	1,876	—	—	—	1,876
Subscription Liability, Net of Current Portion	1,599	—	—		1,599
Derivative Instrument Liability	172	267	2,264	—	2,703
Total Noncurrent Liabilities	12,924	521,125	3,478,171	—	4,012,220
Total Liabilities	277,126	574,273	3,667,766	—	4,519,165
Deferred Inflows of Resources					
Accumulated Increase in Fair Value of Hedging Derivatives	1,352	5,463	28,092	—	34,907
Deferred Revenue	1	—	10,370	—	10,371
Total Deferred Inflows of Resources	1,353	5,463	38,462	—	45,278
Net Position					
Net Investment in Capital Assets	1,070	15,627	—	—	16,697
Restricted for Bond Resolution Purposes	—	396,820	131,960	—	528,780
Restricted for Loan and Grant Programs	46,807	—	—	—	46,807
Unrestricted	364,476	—	(78,412)	7,655	293,719
Total Net Position	$ 412,353	$ 412,447	$ 53,548	$ 7,655	$ 886,003

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, 2024

	Major Funds				
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
Operating Revenues:					
Interest and Other Investment Income	$ 25,693	$ 15,425	$ 134,104	$ —	$ 175,222
Interest Earned on Program Loans	1,017	18,663	3,492	—	23,172
Service Fees	10,695	—	—	—	10,695
Development Fees	9,966	—	—	—	9,966
HUD Savings	324	—	—	—	324
Tax Credit Reservation and Monitoring Fees	10,081	—	—	—	10,081
Rental Income	—	—	—	263	263
Other Income	6,555	14,038	1	7	20,601
Total Operating Revenues	64,331	48,126	137,597	270	250,324
Operating Expenses:					
Interest Expense	3,323	14,929	107,516	—	125,768
Salaries and Benefits	23,507	—	—	—	23,507
Professional Fees	2,662	—	—	—	2,662
Amortization Expense - Lease	1,267	—	—		1,267
Amortization Expense - SBITA	1,196	—	—		1,196
Other General and Administrative	3,537	6,071	490	269	10,367
Financing Costs	2,404	146	12,767	—	15,317
Program Grants	14,872	9	—	—	14,881
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	(1,582)	—	—	—	(1,582)
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(1,038)	5,253	103	—	4,318
Provision for Estimated Losses on Real Estate Held for Sale	—	22	292	—	314
Total Operating Expenses	50,148	26,430	121,168	269	198,015
Total Operating Income	14,183	21,696	16,429	1	52,309
Nonoperating Revenues and Expenses					
Gain/(Loss) on Investment Sales	8,018	(2)	320	—	8,336
Net Increase (Decrease) in Fair Value of Investments	2,498	765	(14,406)		(11,143)
Federal Assistance Programs Revenues	5,734	—	—	—	5,734
Federal Assistance Programs Expenses	(5,734)	—	—	—	(5,734)
Total Nonoperating Income (Expense)	10,516	763	(14,086)	—	(2,807)
Income Before Capital Contributions and Transfers	24,699	22,459	2,343	1	49,502
Capital Contributions	—	—	—	7,654	7,654
Transfers In	—	—	3,687	—	3,687
Transfers Out	(3,687)	—	—	—	(3,687)
Total Capital Contributions and Transfers	(3,687)	—	3,687	7,654	7,654
Change in Net Position	21,012	22,459	6,030	7,655	57,156
Net Position at Beginning of Year	391,341	389,988	47,518	—	828,847
Net Position at End of Year	$ 412,353	$ 412,447	$ 53,548	$ 7,655	$ 886,003

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, 2024

	Major Funds				
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
Cash Flows From Operating Activities:					
Receipts for Program Loans, Interest, and Service Fees	$ 117,474	$ 30,147	$ 23,648	$ —	$ 171,269
Payments for Program Loans	(96,576)	(134,024)	(15,581)	—	(246,181)
Receipts for Rental Operations	—	—	—	270	270
Payments for Rental Operations	—	—	—	(269)	(269)
Receipts for Credit Enhancements	—	825	—	—	825
Payments for Program Grants	(14,872)	(9)	—	—	(14,881)
Payments to Suppliers	(7,944)	(5,009)	(13,257)	—	(26,210)
Payments to Employees	(23,507)	—	—	—	(23,507)
Receipts for Tax Credit Reservations and Monitoring Fees	10,081	—	—	—	10,081
Other Receipts	6,879	14,036	1,904	—	22,819
Net Cash Provided (Used) by Operating Activities	(8,465)	(94,034)	(3,286)	1	(105,784)
Cash Flows from Noncapital Financing Activities:					
Interest Paid on Revenue Bonds and Notes	(3,088)	(14,167)	(85,649)	—	(102,904)
Due to / from Other Funds	(40,901)	7,706	24,951	—	(8,244)
Proceeds from Sale of Bonds and Notes	5,254,539	76,409	1,699,420	—	7,030,368
Principal Paid on Bonds and Notes	(5,232,848)	(17,672)	(348,851)	—	(5,599,371)
Transfers In	—	—	3,687	—	3,687
Transfers Out	(3,687)	—	—	—	(3,687)
Net Cash Provided (Used) by Noncapital Financing Activities	(25,985)	52,276	1,293,558	—	1,319,849
Cash Flows from Capital Financing and Related Activities:					
Acquisition of Capital Assets	(50)	(4,766)	—	—	(4,816)
Principal and Interest Paid on Lease	(1,388)	—	—	—	(1,388)
Principal and Interest Paid on SBITA	(1,148)	—	—	—	(1,148)
Capital Contributions	—	—	—	78	78
Net Cash Provided (Used) by Capital Financing and Related Activities	(2,586)	(4,766)	—	78	(7,274)
Cash Flows from Investing Activities:					
Purchase of Investment Securities	(2,325,495)	(671,558)	(653,417)	—	(3,650,470)
Proceeds from Sales and Maturities of Investment Securities	635,194	704,523	874,662	—	2,214,379
Interest Received on Investments	6,015	4,532	130,392	—	140,939
Transfers In	—	(4,962)	(1,705,066)	—	(1,710,028)
Transfers Out	1,708,442	1,586	—	—	1,710,028
Net Cash Provided (Used) by Investing Activities	24,156	34,121	(1,353,429)	—	(1,295,152)
Net Increase (Decrease) in Cash and Cash Equivalents	(12,880)	(12,403)	(63,157)	79	(88,361)
Cash and Cash Equivalents, Beginning of the Year	280,744	298,510	136,969	—	716,223
Cash and Cash Equivalents, End of the Year	$ 267,864	$ 286,107	$ 73,812	$ 79	$ 627,862

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, 2024

	Major Funds				
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating Income	$ 14,183	$ 21,696	$ 16,429	$ 1	$ 52,309
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Investment income (loss)	(25,693)	(15,425)	(134,104)	—	(175,222)
Interest expense	3,323	14,929	107,516	—	125,768
Depreciation and amortization	2,963	1,242	—	—	4,205
Non-cash asset disposition	159				159
Change in accrual for estimated losses on mortgage participation certificate program	(1,582)	—	—	—	(1,582)
Changes in provision for (reversal of) estimated losses on program loans receivable	(1,038)	5,253	103	—	4,318
Changes in provision for estimated losses real estate held for sale	—	22	292	—	314
Changes in assets and liabilities:					
Program loans receivable	6,350	(124,110)	4,194	—	(113,566)
Interest receivable (payable) on program loans	(42)	(325)	(147)	—	(514)
Other assets	(8,061)	(2,611)	(10,685)	—	(21,357)
Other liabilities	(127)	2,407	3,065	—	5,345
Due from Fannie Mae	—	825	—	—	825
Due from Freddie Mac	—	—	—	—	—
Changes in Deferred Outflow of Resources	(57)	(267)	(2,088)	—	(2,412)
Changes in Deferred Inflow of Resources	1,157	2,330	12,139	—	15,626
Total adjustments	(22,648)	(115,730)	(19,715)	—	(158,093)
Net cash provided by (used in) operating activities	$ (8,465)	$ (94,034)	$ (3,286)	$ 1	$ (105,784)
Noncash investing capital and financing activities:					
Transfer of foreclosed assets	$ —	$ 95	$ 796	$ —	$ 891
Increase (decrease) in the fair value of investments	$ 2,498	$ 765	$ (14,406)	$ —	$ (11,143)

See accompanying notes to the financial statements.

Notes to the Financial Statements

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, 2024, 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. Effective July 1, 2024 the Authority increased this amount to $11.5 billion. See reference footnote 8 E - Other Financings that impact the Authority debt authorization. At June 30, 2024, amounts outstanding against this limitation were approximately $6.3 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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) which includes four real estate properties held for sale ("Perry Portfolio") - see Note 2 M for further details. Separate financial statements are not prepared for the LLC.

The LLC was organized on September 25, 2012 as a member-managed limited liability company under the Illinois Limited Liability Company Act. The LLC was organized by, and is a component unit of the Authority, a body politic and corporate of the State of Illinois. The sole member of the LLC is the Authority. To the extent provided by the Illinois Limited Liability Company Act, the Authority's liability is limited. The LLC maintains, improves and disposes of multi-family properties, acquired through foreclosure or deed-in-lieu of foreclosure, that are owned by single asset entity LLC's of which the LLC will be the sole member. Since the LLC qualifies as a disregarded entity-single member LLC, income from the LLC would pass through to the 100% owner, the Authority.

With the creation of the LLC, a separate legal entity of the Authority, the criteria for reporting component unit was considered. Under Generally Accepted Accounting Principles, (GAAP), a component unit can be reported as a discretely presented or blended component unit of the primary government. In considering the criteria of both presentations, the Authority found the LLC to be a component unit of the Authority that should be reported as a blended component unit based on the following criteria defined as:

(a) The Authority and the LLC share a common governing body. GAAP requires the boards be "substantively the same", and there is sufficient representation whereas the voting majority of the component unit's board also functions as a voting majority primary government's board.

(b) There is an exclusive or almost exclusive benefit or burden to the Authority, as the LLC (1) provides service entirely or almost entirely to the primary government; or (2) otherwise exclusively or almost exclusively benefits or burdens the primary government even though it does not provide services directly to the primary government.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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 Human Services and held within the State Treasury. The funds are appropriated annually to the Illinois Department of Human Services 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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 Human Services 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 is the designated program administrator for 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, with funds received from the Treasury's Emergency Rental Assistance Program, during fiscal year 2024. 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 with funds received by the State from the U.S. Treasury's HAF Program. Eligible uses of funds include assistance with mortgage payments, homeowner’s insurance, utility payments, and other specified purposes for homeowners facing financial hardships due to the COVID-19 pandemic.

COVID-19 State and Local Fiscal Recovery Fund

The Authority administered the COVID-19 Affordable Housing Grant Program (CAHGP), Opening Doors Program (ODP), and Cook County Mortgage Foreclosure Mediation Program (CCMFMP) from funds received by the State and County of Cook from the Treasury's State and Local Fiscal Recovery Fund Program, during fiscal year 2024. Eligible uses of the funds, for CAHGP and ODP, include providing grants, forgivable loans, administrative expenses associated with affordable housing development and down payment and/or closing cost assistance associated with purchasing a home. Eligible uses of funds, for CCMFMP, include housing counseling and foreclosure mediation services for residents in Cook County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

D. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Balances (Continued)

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.

E. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Net Position

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:

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		20,000
To pay possible losses arising in the Multifamily Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans		
Homeownership Mortgage Loan Program		5,000
To pay possible losses arising in the Homeownership Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans		
Homeownership Mortgage Loan Program		130,000
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		
Multifamily Mortgage Loan Program		35,000
Provide funds to finance Multifamily loans originated under the Program		
Provide funds for the Authority's planned technology enhancements		15,000
	$	270,000

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

G. 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 refunding, 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.
iii. Buying down mortgage rates and related amortization.

H. 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.

I. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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.

L. 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, 2024, the net carrying value was $10.6 million which is net of accumulated depreciation of $29.4 million. Depreciation expense for fiscal year 2024 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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. IHDA Dispositions LLC Real Estate Held for Sale

Property Name	Net Carrying Value (in 000's)	Acquired Date	Total No. of Units	Out-of-Service Units	Estimated Annual Real Estate Taxes (in 000's)	FY2024 Management Fees (in 000's)
IHDA Dispositions 2023-1 LLC Riverdale Development	$ 4,810	4/2/2024	96	45	$ 154	$ 21
IHDA Dispositions 2023-2 LLC Galena Prestwick Development	958	3/14/2024	41	2	14	10
IHDA Dispositions 2023-3 LLC Lakeview (Watseka) Development	364	3/14/2024	37	2	20	9
IHDA Dispositions 2023-4 LLC Valley Ridge (Caseyville) Development	1,444	3/14/2024	41	5	37	10

These LLC properties ("Perry Portfolio") were subject to one or more land use restriction agreements (LURA) that restrict occupancy to households that are low income, very low income or extremely low income. However, by taking these properties via deed in lieu, the LURAs have been terminated, but certain restrictions continue to be effective for 3 years from the date of disposition. The LLC properties are shown in thousands, except units.

N. 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, Mortgage Loan $72,924, Single Family $183,261, and IHDA Dispositions LLC (REO) $7,576,000 - see property break-out noted above for further details. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
$ 1,608	$ 2,657	$ (2,650)	$ 1,615	$ 1,615

R. 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.

S. Income Taxes

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

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, 2024, the Authority had cash and cash equivalents totaling $952 million which consists of cash of $124 million and cash equivalents of $827 million.

		Investment Maturities (in Days)			
Investments	Carrying Amount	Less Than 7	Less Than 30	Less Than 60	Less Than 90
Sweep Accounts-Money Market Fund - Restricted	$ 818,004	$ 818,004	$ —	$ —	$ —
Sweep Accounts-Money Market Fund	9,367	9,367	—	—	—
Total Cash Equivalents	$ 827,371	$ 827,371	$ —	$ —	$ —

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

A. Interest Rate Risk (Continued)

As of June 30, 2024, 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
Certificate of Deposit	$ 5,615	$ —	$ 5,615	$ —	$ —
Commercial Paper	82,525	82,525	—	—	—
Federal Farm Credit Bank Bonds	15,439	14,444	995	—	—
Federal Home Loan Bank Bonds	14,352	3,425	10,500	427	—
Federal Home Loan Bank Discount Notes	150,688	150,688	—	—	—
Federal Home Loan Mortgage Corporation	622,096	10,847	11,170	1,238	598,841
Federal National Mortgage Association	1,308,557	532	11,135	1,572	1,295,318
Federal National Mortgage Association. Benchmark Notes	1,336	—	1,336	—	—
Government National Mortgage Association	1,640,078	—	—	—	1,640,078
Municipal Bonds	30,270	9,315	20,955	—	—
U.S. Treasury Bills	16,894	16,894	—	—	—
U.S. Treasury Notes	29,153	16,298	12,855	—	—
U.S. Treasury Strips	1,527	—	1,450	—	77
Grand Total	**$ 3,918,530**	**$ 304,968**	**$ 76,011**	**$ 3,237**	**$ 3,534,314**

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.

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 $124.4 million at June 30, 2024. The June 30, 2024, cash bank balance for the Authority totaled $125.3 million. Also, $4.0 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, 2024, 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, 2024, 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, 2024, are as follows, in thousands:

Investment	Fair Value
Federal Home Loan	$ 787,136
Federal National Mortgage Association	1,309,893
Governmental National Mortgage Association	1,640,078

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 decrease in fair value of $4.0 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, 2024. In addition, $0.5 million of forward commitments is recorded on the statement of net position as other current assets at June 30, 2024.

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, 2024, in thousands:

Counterparty	Rating (1)	Number of Contracts	Par Amount
Bank of New York Mellon	AA-/A-1+ Stable; Aa1(cr)/P-1(cr) NEG	13	$ 31,800
Bank of Oklahoma	A-/A-2 Stable; A1(cr)/P-1(cr) Stable	18	33,300
Fannie Mae	AA+u/A-1+u Stable; AAA /WR NEG	1	7,800
Jefferies LLC	BBB/BBB Stable; Baa2/Stable	18	34,830
Morgan Stanley	A-/A-2 Stable; A1/ P-1 Stable	21	54,700
Piper Sandler	NR/NR	55	131,900
Raymond James	A-/Stable; A3/Stable	18	55,300
Stifel	BBB -/BBB-POS/NR	12	32,100
Wells Fargo Securities, LLC	A+/A-1 Stable; Aa1(cr)/P-1(cr) NEG	7	11,400
Total Forward Commitments		163	$ 393,130

(1) S&P; Moody's

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, 2024. 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.

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, 2024, are as follows (in thousands):

		Fair Value Measurements Using		
	At June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable (Level 3)
Investments				
Certificate of Deposit	$ 5,615	$ —	$ 5,615	$ —
Commercial Paper	82,525	—	82,525	—
Federal Home Loan Bank Bonds	14,352	—	14,352	—
Federal Farm Credit Bank Bonds	15,439	—	15,439	—
Federal Home Loan Mortgage Corp.	622,096	—	622,096	—
Federal National Mortgage Assn. Benchmark Notes	1,336	—	1,336	—
Federal Home Loan Bank Discount Notes	150,688	—	150,688	—
Government National Mortgage Association	1,640,078	—	1,640,078	—
Federal National Mortgage Assn.	1,308,557	—	1,308,557	—
Municipal Bonds	30,270	—	30,270	—
U.S. Treasury Bills	16,894	16,894	—	—
U.S. Treasury Strips	1,527	1,527	—	—
U.S. Treasury Notes	29,153	29,153	—	—
	$ 3,918,530	$ 47,574	$ 3,870,956	$ —
Derivative Instruments				
Interest Rate Caps	$ 406	$ —	$ 406	$ —
Interest Rate Swaps	31,798	—	31,798	—
Forward Commitments	(518)	—	(518)	—
	$ 31,686	$ —	$ 31,686	$ —

NOTE 4 INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

The composition of interfund balances as of June 30, 2024, is as follows (in thousands):

	Payable from										
	Governmental Funds							Proprietary Funds			
Receivable to	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Program Fund	Building Illinois Bond Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 State and Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Governmental Funds:											
HAF-ARP Homeowner Assist Fund	$ —	$ —	$ —	$ —		$ —	$ —	$ 586	$ —	$ —	$ 586
Nonmajor Governmental Funds	—	—	—	—		—	—	65	—	—	65
Proprietary Funds:											
Administrative Fund	1,462	440	62	8	502	348	36	$ —	9,023	52,674	64,555
Mortgage Loan Program Fund	—	—	—	—		—	—	46,086	—	—	46,086
	$ 1,462	$ 440	$ 62	$ 8	$ 502	$ 348	$ 36	$ 46,737	$ 9,023	$ 52,674	$ 111,292

Interfund balances are created when a fund supports the expenses/expenditures of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for individual funds. The interfund balances result from timing differences between the date a disbursement is made and the date when the reimbursement is received from other funds.

NOTE 4 INTERFUND BALANCES AND TRANSFERS (CONTINUED)

B. Transfers

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, 2024, consisted of the following:

	Proprietary Funds - Transfer Out	Proprietary Funds - Transfer In		Government Funds - Transfer In	
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Funds	Total
Proprietary Funds:					
Single Family Program Fund	3,687 (A)	—	(3,687) (A)	—	—
	$ 3,687	$ —	$ (3,687)	$ —	$ —

(A) Transfer totaling $3,687 thousand from the Administrative Fund to Single Family Program Fund funded costs related to issuance of Revenue Bonds ($713 thousand - RB2023H, $635 thousand - RB2023K, $153 thousand - RB2023N, $1,136 thousand - RB2024A, and $1,050 thousand - RB2024C).

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, 2024, in thousands:

	Net Program Loan Receivables June 30, 2023	Loan Disbursements	Loan Repayments	Loan Transfers In/(Out)	(Increase)/ Decrease in Loan Loss Allowance	Net Program Loan Receivables June 30, 2024
Governmental Funds:						
Illinois Affordable Housing Trust Fund	$ 336,537	$ 45,526	$ (8,759)	$ —	$ (3,882)	$ 369,422
HOME Program Fund	295,779	11,385	(2,745)	—	(6,159)	298,260
Build Illinois Bond Program	6,851	—	(495)	—	373	6,729
Nonmajor Governmental Funds	75,999	—	(317)	—	9,648	85,330
Total Governmental Funds	$ 715,166	$ 56,911	$ (12,316)	$ —	$ (20)	$ 759,741
Proprietary Fund:						
Administrative Fund	$ 55,770	$ 108,428	$ (113,229)	$ —	$ 1,071	$ 52,040
Mortgage Loan Program Fund:						
Housing Bonds	106,038	59,123	(6,707)	—	(4,077)	154,377
Multifamily Initiative Bonds	14,265	—	(475)	—	359	14,149
Affordable Housing Program Trust Fund Bonds	5,042	1,289	(626)	—	(989)	4,716
Multifamily Revenue Bonds	302,869	75,788	(4,277)	—	(546)	373,834
Total Mortgage Loan Program Fund	428,214	136,200	(12,085)	—	(5,253)	547,076
Single Family Program Fund:						
Homeowner Mortgage Revenue Bonds	89,778	15,581	(19,740)	—	(100)	85,519
Revenue Bonds	72	—	(33)	(2)	(3)	34
Total Single Family Program Fund	89,850	15,581	(19,773)	(2)	(103)	85,553
Total Proprietary Funds	$ 573,834	$ 260,209	$ (145,087)	$ (2)	$ (4,285)	$ 684,669

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,

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, 2024, 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 $169.4 thousand and $4.8 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.

The Authority does not accrue interest income on approximately $3.6 million of mortgage loans recorded in the Administrative Fund. Payments made on such loans, which generally are

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

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 $76.1 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 2024, the Authority sold beneficial ownership interests in loans for 17 affordable Multi-Family developments totaling $116.1 million to the FFB.

As of June 30, 2024, the Authority has the following Risk Sharing Loans outstanding (in millions):

	Number of loans	Amount
Housing Bonds	8	$ 28.4
Multi-Family Initiative Bonds	1	14.2
Administrative Fund	1	1.9
Multi-Family Revenue Bonds	30	383.3
*Others	25	155.5
Total	65	$ 583.3

*Not included in the Authority's financial statements as the Authority sold 10% to 90% participation interest in the loans to outside parties.

At June 30, 2024, for loans financed under the FHA-HFA Risk Sharing Program where the Authority sold 100% participation interests 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, 2024, 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 $749.9 thousand as of June 30, 2024, is recorded in accrued liabilities (and other) in the Administrative Fund.

As of June 30, 2024, for mortgage loans insured with Ambac Assurance Corporation (Ambac) on Multi-Family housing developments under the Authority’s Mortgage Participation Certificate

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

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 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, 2024, for loans financed under Ambac Assurance Corporation (Ambac), one loan was in arrears an amount equal to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling $64.8 thousand and $2.8 million, respectively.

The following summarizes the changes in the allowance for estimated losses on program loans receivable during the year ended June 30, 2024 (in thousands):

	Allowance for estimated losses June 30, 2023	Provision for/ (reversal of) estimated losses	Write-offs of uncollectible losses, net of recoveries	Allowance for estimated losses June 30, 2024
Governmental Funds:				
Illinois Affordable Housing Trust Fund	$ 51,259	$ 4,141	$ (259)	$ 55,141
HOME Program Fund	34,943	6,207	(48)	41,102
Build Illinois Bond Program	3,815	6	(379)	3,442
Nonmajor Governmental Funds	17,738	(9,648)	—	8,090
Total Governmental Funds	$ 107,755	$ 706	$ (686)	$ 107,775
Proprietary Funds:				
Administrative Fund	$ 6,558	$ (1,038)	$ (33)	$ 5,487
Mortgage Loan Program Fund	3,450	5,253	—	8,703
Single Family Program Fund	1,365	103	—	1,468
Total Proprietary Funds	$ 11,373	$ 4,318	$ (33)	$ 15,658

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, 2024, the Authority has 12 loan certifications outstanding, totaling $672.0 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.

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, 2024, and thereafter are as follows (in thousands):

Governmental Funds:

	Illinois Affordable Housing Trust Fund	HOME Program Fund	American Recovery and Reinvestment Act Fund	Build Illinois Bond Program
2025	$ 20,331	$ 26,736	$ 296	$ 26
2026	11,085	15,830	248	26
2027	9,631	10,289	3,100	26
2028	11,651	11,125	9,258	26
2029	11,885	12,397	6,664	26
After 2029	359,980	262,985	54,668	10,041
	$ 424,563	$ 339,362	$ 74,234	$ 10,171

Proprietary Funds:

	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund
2025	$ 891	$ 9,275	$ 9,495
2026	837	21,800	9,482
2027	2,687	8,940	9,458
2028	850	9,277	9,458
2029	385	9,666	9,458
After 2029	51,877	496,821	39,670
	$ 57,527	$ 555,779	$ 87,021

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.

NOTE 6 REAL ESTATE HELD FOR SALE

An analysis of real estate for sale, net of allowance for estimated losses, as of June 30, 2024, is shown below (in thousands):

Proprietary Funds:

	Administrative Fund	Mortgage Loan Program	Single Family Program Fund	IHDA Dispositions LLC	Total
Balance at June 30, 2023	$ 75	$ —	$ 27	$ —	$ 102
Perry Portfolio	—	—	—	7,576	7,576
Transfers of loans	—	95	796	—	891
Proceeds received/write-offs	—	(18)	(869)	—	(887)
Change in loan loss allowance	—	(5)	229	—	224
Balance at June 30, 2024	$ 75	$ 72	$ 183	$ 7,576	$ 7,906

NOTE 7 CAPITAL ASSETS

Capital asset activity for year ended June 30, 2024, for governmental activities, was zero and capital asset activity for the fiscal year ended June 30, 2024, for business-type activities, was as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated				
Mortgage Loan Program Fund				
Land	$ 16,400	$ —	$ —	$ 16,400
Total capital assets, not being depreciated	16,400	—	—	16,400
Capital assets, being depreciated or amortized				
Administrative Fund				
Furniture and equipment	7,715	50	(159)	7,606
Right to use Equipment	118	—	—	118
Right to use Building	6,734	—	—	6,734
Right to use SBITAs	5,051	545	—	5,596
Mortgage Loan Program Fund				
Building, furniture and equipment	35,241	4,766	—	40,007
Total capital assets, being depreciated or amortized	54,859	5,361	(159)	60,061
Accumulated depreciation and amortization				
Administrative Fund				
Furniture and equipment	6,507	569	(69)	7,007
Right to use Equipment	36	41		77
Right to use Building	2,682	1,226	—	3,908
Right to use SBITAs	1,134	1,196	—	2,330
Mortgage Loan Program Fund				
Building, furniture and equipment	28,153	1,242	—	29,395
Total accumulated depreciation and amortization	38,512	4,274	(69)	42,717
Total capital assets, net of depreciation and amortization	16,347	1,087	(90)	17,344
Total capital assets, net	$ 32,747	$ 1,087	$ (90)	$ 33,744

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, 2024, (in thousands):

	June 30, 2023	Additions	Deductions	June 30, 2024	Amount due within one year
Administrative Fund:					
Direct Borrowing					
Federal Home Loan Bank Advances	$ 21,711	$ 5,254,539	$ (5,232,848)	$ 43,402	$ 34,895
Total Administrative Fund	21,711	5,254,539	(5,232,848)	43,402	34,895
Mortgage Loan Program Fund:					
Direct Placement					
Multifamily Initiative Bonds	48,780	—	(1,310)	47,470	1,220
Multifamily Revenue Bonds	154,945	51,415	(985)	205,375	3,585
Other Debt					
Housing Bonds	79,055	—	(4,995)	74,060	25,065
Multifamily Revenue Bonds	211,151	24,994	(10,382)	225,763	1,940
Total Mortgage Loan Program Fund	493,931	76,409	(17,672)	552,668	31,810
Single Family Program Fund:					
Other Debt					
Homeowner Mortgage Revenue Bonds	177,845	—	(50,810)	127,035	8,341
Premium on Homeowner Mortgage Revenue Bonds	2,336	—	(738)	1,598	—
Housing Revenue Bonds	40,797	—	(3,528)	37,269	1,386
Premium on Housing Revenue Bonds	3	—	—	3	—
Discount on Housing Revenue Bonds	(556)	—	51	(505)	—
Revenue Bonds	1,951,344	1,678,420	(287,491)	3,342,273	85,238
Premium on Revenue Bonds	48,534	21,000	(6,335)	63,199	—
Total Single Family Program Fund	2,220,303	1,699,420	(348,851)	3,570,872	94,965
Total Proprietary Funds	$ 2,735,945	$ 7,030,368	$ (5,599,371)	$ 4,166,942	$ 161,670

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, 2024. 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 $43.4 million in direct borrowings of debt, all within the Administrative Fund. The Authority also holds $252.8 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 of $3.8 billion, and is located within the Mortgage Loan Program Fund, totaling $299.8 million, and the Single Family Program Fund, totaling $3.5 billion (excluding premium and discount).

The Authority has pledged future mortgage loan and mortgage-backed security revenues, net of specified operating expenses, to repay outstanding principal of $4.0 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 $7.2 billion. For S.L.O. bonds payable from pledged property, interest paid for the fiscal year ended June 30, 2024, was $99.7 million, and total related mortgage loan principal and interest received were $20.5 million and $16.4 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, 2024, are as follows. Listed maturity dates are indicated as calendar years. The June 30, 2023, amounts are shown for comparative purposes only.

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, 2024	Amount June 30, 2023
Housing Bonds:					
2008 Series A (1)	2024-2027	Variable	G.O.	$ 8,770	$ 9,130
2008 Series B (1)	2024-2027	Variable	G.O.	11,385	13,785
2008 Series C (1)	2024-2041	Variable	G.O.	3,945	4,085
2013 Series B (Taxable)	2024	3.605	G.O.	500	2,175
2015 Series A-1	2024–2027	2.95-3.40	G.O.	1,395	1,815
2015 Series A-3 (Taxable) (1)	2045	Variable	G.O.	18,065	18,065
2017 Series A-2 (Taxable) (1)	2024-2048	Variable	G.O.	30,000	30,000
Total Housing Bonds				$ 74,060	$ 79,055

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 3.83% to 5.35% at June 30, 2024. 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 May 23, 2029. 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.

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 Dates	Range %	Debt Class	Amount June 30, 2024	Amount June 30, 2023
Multi-Family Initiative Bonds:					
Series 2009 E	2024–2042	2.32	S.L.O.	$ 3,850	$ 3,940
Series 2009 F	2024–2041	2.32	S.L.O.	4,590	4,720
Series 2009 G	2024–2041	2.32	S.L.O.	6,870	7,070
Series 2009 H	2024–2041	2.32	S.L.O.	9,180	9,400
Series 2009 I	2024–2051	2.32	S.L.O.	8,170	8,350
Series 2009 J	2024–2043	3.84	S.L.O.	14,810	15,300
Total Multi-Family Initiative Bonds				47,470	48,780
Multi-Family Revenue Bonds:					
2016 Series A (Taxable)	2024–2048	2.63	S.L.O.	—	7,753
2017 Series A	2024–2059	4.05	S.L.O.	24,804	25,057
2017 Series B	2024–2043	3.21	S.L.O.	9,300	9,550
2019 Series A	2024-2063	1.63-3.40	S.L.O.	28,645	29,051
2020 Series A	2024-2060	2.00-3.85	S.L.O.	5,595	5,655
2020 Series B	2024-2062	2.55-4.15	S.L.O.	2,890	2,910
2020 Series C	2024-2052	2.60-4.10	S.L.O.	1,600	1,625
2020 Series D (Taxable)	2024-2062	3.47-4.65	S.L.O.	1,675	1,685
2021 Series A	2024-2041	2.07	S.L.O.	84,895	84,895
2021 Series B	2024-2042	0.40-2.06	S.L.O.	27,365	27,925
2021 Series C	2025-2065	0.60-3.05	S.L.O.	77,004	77,005
2022 Series A	2024-2062	2.65	S.L.O.	21,300	21,610
2022 Series B	2024-2062	2.75-4.45	S.L.O.	10,640	10,760
2022 Series C (1)	2024-2052	Variable	S.L.O.	21,575	23,175
2023 Series A	2024-2064	1.10-2.90	S.L.O.	8,640	8,640
2023 Series B	2024-2042	2.75-4.35	S.L.O.	17,070	17,070
2023 Series C (1)	2024-2065	Variable	S.L.O.	11,730	11,730
2023 Series D	2024-2064	0.90-2.60	S.L.O.	4,840	—
2023 Series E	2024-2064	1.90-3.40	S.L.O.	12,940	—
2023 Series F (Taxable)	2024-2064	2.32-3.96	S.L.O.	6,600	—
2023 Series G	2024-2064	1.40-3.30	S.L.O.	8,100	—
2024 Series A (1)	2025-2064	Variable	S.L.O.	24,995	—
2024 Series B	2026-2066	3.54-5.50	S.L.O.	18,935	—
Total Multi-Family Revenue Bonds				431,138	366,096
Total Mortgage Loan Program Fund				$ 552,668	$ 493,931

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

A. Mortgage Loan Program Fund (Continued)

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 3.90% to 5.35% at June 30, 2024, 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 2022 Series C, 2023 Series C, and 2024 Series A. The liquidity agreement for 2022 Series C expires on May 12, 2027, the liquidity agreement for 2023 Series C expires on February 9, 2028, and the liquidity agreement for 2024 Series A expires on January 25, 2029.

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, 2024	Amount June 30, 2023
Homeowner Mortgage Revenue Bonds:					
2004 Series C-3 (1)	2025–2034	Variable	S.L.O.	$ 8,575	$ 8,895
2014 Series A	2024	3.40%	S.L.O.	—	1,860
2014 Series A-5 (Taxable) (1)	2025-2035	Variable	S.L.O.	—	19,005
2014 Series A-4 (Taxable) (1)	2026-2034	Variable	S.L.O.	—	10,130
2014 Series B	2024	3.40%	S.L.O.	215	530
2016 Series A (Taxable)	2024-2034	4.00%	S.L.O.	1,975	3,205
2016 Series B	2035-2046	0.00	S.L.O.	3,485	4,915
2016 Series C	2024-2046	2.05-3.50	S.L.O.	51,555	60,595
2018 Series A-1	2026-2048	2.95-4.00	S.L.O.	27,555	32,650
2018 Series A-2 (1)	2031-2038	Variable	S.L.O.	30,000	30,000
2018 Series A-3	2024-2025	3.15-3.25	S.L.O.	3,675	6,060
				127,035	177,845
Plus: Unamortized Premium Thereon				1,598	2,336
Total Homeowner Mortgage Revenue Bonds				$ 128,633	$ 180,181

(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 3.900% to 4.050% at June 30, 2024. 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 agreement for 2018 Series A-2 expires on July 11, 2028.

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, 2024	Amount June 30, 2023
Housing Revenue Bonds:					
Series 2011-1A	2024–2041	3.285%	S.L.O.	$ 1,920	$ 2,040
Series 2011-1C	2024–2041	3.285	S.L.O.	5,445	5,785
Series 2012A (Taxable)	2024–2042	2.625	S.L.O.	6,836	7,470
Series 2013A	2024–2043	2.450	S.L.O.	15,131	16,800
Series 2013B (Taxable)	2024–2043	2.750	S.L.O.	4,527	4,751
Series 2013C	2024–2043	3.875	S.L.O.	3,410	3,951
				37,269	40,797
Plus: Unamortized Premium Thereon				3	3
Less: Unamortized Discount				(505)	(556)
Total Housing Revenue Bonds				$ 36,767	$ 40,244

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, 2024	Amount June 30, 2023
Revenue Bonds:					
2016 Series A	2024-2046	2.20-4.00%	S.L.O.	$ 9,975	$ 13,875
2017 Series A	2024–2047	—	S.L.O.	20,727	21,803
2017 Series B	2024–2048	2.45-4.00	S.L.O.	32,895	39,290
2018 Series A	2024–2048	2.85-4.50	S.L.O.	27,665	33,305
2019 Series A	2024–2049	—	S.L.O.	15,245	18,780
2019 Series B (1)	2033-2042	Variable	S.L.O.	30,000	30,000
2019 Series C	2024–2049	1.80-5.00	S.L.O.	38,855	44,205
2019 Series D	2024-2050	1.60-3.75	S.L.O.	56,960	66,960
2020 Series A	2024-2050	1.10-3.75	S.L.O.	72,360	82,185
2020 Series B	2024-2050	0.55-3.00	S.L.O.	45,760	55,115
2020 Series C (1)	2032-2042	Variable	S.L.O.	40,000	40,000
2021 Series A	2024-2051	0.40-3.00	S.L.O.	69,970	78,525
2021 Series B	2024-2051	0.45-3.00	S.L.O.	100,390	110,300
2021 Series C (taxable)	2024-2031	0.501-2.228	S.L.O.	15,130	16,960
2021 Series D	2024-2051	0.35-3.00	S.L.O.	104,350	113,575
2021 Series E (taxable)	2024-2031	0.72-2.08	S.L.O.	14,645	16,385
2022 Series A	2024-2052	2.15-3.75	S.L.O.	111,180	119,745
2022 Series B (taxable)	2024-2032	3.00-4.03	S.L.O.	17,800	19,115
2022 Series C	2024-2052	2.70-4.50	S.L.O.	79,755	87,770
2022 Series D	2034-2045	Variable	S.L.O.	59,861	59,861
2022 Series E	2024-2052	2.55-5.25	S.L.O.	91,045	98,735
2022 Series F	2035-2045	Variable	S.L.O.	50,000	50,000
2022 Series G	2024-2052	4.25-6.25	S.L.O.	144,805	149,985
2022 Series H	2053	3.5	S.L.O.	—	100,000
2023 Series A	2024-2053	3.20-5.25	S.L.O.	116,455	120,000
2023 Series B (taxable)	2024-2053	4.995-5.628	S.L.O.	35,440	37,500
2023 Series C (taxable)	2032-2046	Variable	S.L.O.	37,500	37,500
2023 Series D	2024-2053	3.05-5.50	S.L.O.	98,245	100,000
2023 Series E (taxable)	2024-2053	4.447-5.750	S.L.O.	85,495	86,580
2023 Series F (taxable)	2038-2046	Variable	S.L.O.	43,290	43,290
2023 Series G	2054	3.5	S.L.O.	—	60,000
2023 Series H	2025-2053	3.25-5.75	S.L.O.	159,060	—
2023 Series I (taxable)	2025-2053	5.253-5.758	S.L.O.	76,665	—
2023 Series J (taxable)	2041-2048	Variable	S.L.O.	38,335	—
2023 Series K	2025-2053	3.95-6.25	S.L.O.	178,045	—
2023 Series L (taxable)	2025-2048	5.552-6.558	S.L.O.	64,165	—
2023 Series M (taxable)	2048-2053	Variable	S.L.O.	32,085	—
2023 Series N	2024-2054	3.625-6.250	S.L.O.	129,325	—
2023 Series O (taxable)	2024-2054	5.418-6.500	S.L.O.	95,140	—
2023 Series P	2041-2049	Variable	S.L.O.	64,765	—
2024 Series A	2025-2054	3.20-6.00	S.L.O.	145,000	—
2024 Series B (taxable)	2025-2054	4.929-6.000	S.L.O.	349,250	—
2024 Series C	2025-2054	3.45-6.25	S.L.O.	116,140	—
2024 Series D (taxable)	2025-2054	5.044-6.250	S.L.O.	228,500	—
				3,342,273	1,951,344
Plus: Unamortized Premium Thereon				63,199	48,534
Total Revenue Bonds				3,405,472	1,999,878
Total Single Family Program Fund				$ 3,570,872	$ 2,220,303

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

B. Single Family Program Fund (Continued)

(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 3.78% to 5.35% at June 30, 2024, 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 2023 Series C, 2023 Series F, 2023 Series M, and 2023 Series P is SOFR plus 275 basis points. The interest rate that will be paid during the put periods on 2023 Series J is SOFR plus 300 basis points. The liquidity agreement for 2019 Series B expires on May 23, 2029, 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 Series C expires on March 29, 2028, the liquidity agreement for 2023 Series F expires on June 1, 2028, the liquidity agreement for 2023 Series J expires on August 2, 2028, the liquidity agreement for 2023 Series M expires on October 25, 2028, and the liquidity agreement for 2023 Series P expires on November 30, 2028.

C. Administrative Fund

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

	Maturity Date	Interest Rate (1)	Debt Class	Amount June 30, 2024	Amount June 30, 2023
Direct Borrowing:					
Federal Home Loan Bank Advances:					
	2023	5.23	Loan	$ —	$ 11,060
	2024	2.35	Loan	—	1,406
	2024	5.47	Loan	8,135	—
	2024	5.42	Loan	26,385	—
	2027	2.37	Loan	502	657
	2027	2.70	Loan	8,380	8,588
				$ 43,402	$ 21,711

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

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

D. Current Refundings of Debt

On August 3, 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 HIJ ("Bonds"), totaling $275 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, $18.95 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 $18.95 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 October 25, 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 KLM ("Bonds"), totaling $275 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, $48.31 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 $48.31 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 November 11, 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 NOP ("Bonds"), totaling $289.53 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, $100 million of proceeds from the Bonds were used to redeem and/or refund Revenue Bonds Series 2022 ("Refunded Obligations"). Following the refunding of the Refunded Obligations, an approximate amount of $100 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 March 6, 2024, the Authority issued two (2) series of fixed rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2024 AB ("Bonds"),

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

D. Current Refundings of Debt (Continued)

totaling $494.25 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, $7.89 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations") and $60 million of proceeds from the Bonds were used to redeem Revenue Bonds Series 2023 G. Following the refunding of the Refunded Obligations, an approximate amount of $7.89 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 May 29, 2024, the Authority issued two (2) series of fixed rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2024 CD ("Bonds"), totaling $344.64 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, $116.14 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 $116.14 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.

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, 2024, there were 129 series of such bonds or notes outstanding, with an aggregate principal amount payable of $2,182 million.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

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.

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, 2024, these reserve amounts, which were not less than the amounts required are as follows, in thousands:

Housing Bonds	$	3,547
Multifamily Initiative Bonds		561
Multifamily Revenue Bonds		10,611
Homeowner Mortgage Revenue Bonds		1,650
Total	$	16,369

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

G. Debt Service Requirements

Debt service requirements through 2029 and in five year increments thereafter to maturity for the Authority's proprietary fund are as follows (in millions):

	Administrative Fund Direct Borrowing		Single Family Program Fund Other Debt	
	Principal	Interest	Principal	Interest
YEAR ENDING JUNE 30:				
2025	$ 34.9	$ 2.1	$ 95.0	$ 158.0
2026	0.4	1.3	75.9	156.0
2027	0.4	1.3	82.5	153.5
2028	7.7	0.6	85.2	150.8
2029	—	—	87.9	147.8
FIVE YEAR ENDED JUNE 30:				
2030-2034	—	—	484.7	688.4
2035-2039	—	—	511.4	587.6
2040-2044	—	—	620.5	465.0
2045-2049	—	—	762.2	302.8
2050-2054	—	—	699.0	96.9
2055-2059	—	—	2.3	0.1
	$ 43.4	$ 5.3	$ 3,506.6	$ 2,906.9

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
YEAR ENDING JUNE 30:						
2025	$ 4.8	$ 6.8	$ 26.8	$ 11.0	$ 31.6	$ 17.8
2026	4.6	6.6	16.5	10.0	21.1	16.6
2027	10.4	6.8	16.8	9.6	27.2	16.4
2028	4.9	6.2	5.5	9.3	10.4	15.5
2029	5.1	6.1	5.2	9.1	10.3	15.2
FIVE YEAR ENDED JUNE 30:						
2030-2034	27.7	28.4	29.3	42.3	57.0	70.7
2035-2039	32.0	24.6	31.1	36.2	63.1	60.8
2040-2044	102.9	16.4	31.8	29.9	134.7	46.3
2045-2049	13.1	9.5	46.7	20.0	59.8	29.5
2050-2054	14.3	7.3	28.7	13.7	43.0	21.0
2055-2059	15.5	4.8	30.4	8.4	45.9	13.2
2060-2064	15.6	2.0	26.5	3.3	42.1	5.3
2065-2069	2.0	0.1	4.5	0.1	6.5	0.2
	$ 252.9	$ 125.6	$ 299.8	$ 202.9	$ 552.7	$ 328.5

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 $500 million. The current undrawn portion of the Authority's authorized amount is $457 million. The drawn amount of $43 million is included in Bonds and Notes Payable.

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, 2024, 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, 2024		
	Classification	Amount	Classification	Amount	Notional
Business-Type Activities:					
Cash Flow Hedges:					
Pay-Fixed/Receive Variable, Interest Rate Swaps:					
HMRB	Deferred Inflow	$471	**	$2,134	$30,000
RB	Deferred Inflow	$9,942	**	$25,958	$298,985
RB 2023 M	Deferred Outflow	$(1,484)	*	$(1,484)	$32,085
RB 2023 P	Deferred Outflow	$(780)	*	$(780)	$64,765
MFRB Maywood	Deferred Inflow	$1,342	**	$3,475	$24,995
MFRB Burnham Manor	Deferred Inflow	$607	**	$718	12,725
MFRB Autumn Ridge	Deferred Inflow	$606	**	$864	$11,730
MFRB South Park Plaza	Deferred Outflow	$(267)	*	$(267)	$13,250
General Obligation	Deferred Inflow	$1,273	**	$1,352	$21,692
General Obligation Quentin	Deferred Outflow	$(113)	*	$(113)	$4,126
General Obligation Harvey Rad	Deferred Outflow	$(5)	*	$(5)	$5,000
General Obligation Lakeview Landing	Deferred Outflow	$(38)	*	$(38)	$1,008
General Obligation Trolley Circle	Deferred Outflow	$(16)	*	$(16)	$1,625
Rate Caps					
HB	Deferred Inflow	$(32)	**	$12	$14,940
MFRB	Deferred Inflow	$(195)	**	$394	$22,470
Total		$11,311		$32,204	$559,396

* 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.

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.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

June 30, 2024 (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	$ 2,134	2/1/2038	Aa1 / AA- / AA-
RB***:							
RB 2019B	30,000	3/7/2019	2.4310	100% SIFMA -> 70% LIBOR	2,520	4/1/2042	Aa1/A+/AA
RB 2020C	40,000	10/15/2020	1.0565	100% SIFMA -> 70% LIBOR	8,067	4/1/2042	Aa1 / AA- / AA-
RB 2022D	59,860	5/19/2022	2.4320	70% SOFR + 0.08%	5,247	4/1/2045	Aa2/ A+/ AA
RB 2022F	50,000	9/22/2022	0.0026	70% SOFR + 0.10%	3,712	4/1/2045	Aa1/ AA-/ AA-
RB 2023C	37,500	3/29/2023	0.0045	100% SOFR + 0.15%	1,474	10/1/2046	Aa1/A+/AA
RB 2023F	43,290	6/1/2023	0.0041	100% SOFR + 0.15%	3,346	10/1/2046	Aa1 / AA- / AA
RB 2023J	38,335	8/3/2023	0.0046	100% SOFR + 0.15%	1,592	10/1/2048	Aa1/A+/AA
RB 2023M	32,085	10/25/2023	0.0055	100% SOFR + 0.15%	(1,484)	10/1/2053	Aa1/AA-/AA
RB 2023P	64,765	11/30/2023	0.0036	70% SOFR + 0.10%	(780)	4/1/2049	Aa1/A+/AA-
	$ 395,835				$ 23,694		
Active Swap Contracts:							
Mortgage Loan Program Fund:							
MFRB***:							
MFRB Maywood	$ 24,995	7/1/2024	2.1470	70% SOFR + 0.08% -> 70% LIBOR	$ 3,475	7/1/2064	Aa2/ A+/ AA
MFRB Burnham Manor	12,725	7/1/2024	2.7755	70% SOFR + 0.08%	718	1/1/2065	Aa2/ A+/ AA
MFRB Autumn Ridge	11,730	2/9/2023	2.9750	70% SOFR + 0.10%	864	7/1/2065	Aa1/ AA-/ AA-
MFRB South Park Plaza	13,250	9/1/2025	3.5990	70% SOFR + 0.10%	(267)	1/1/2066	Aa1/AA-/AA-
	$ 62,700				$ 4,790		
Active Swap Contracts:							
General Obligation:							
GO 835 Wilson	$ 3,365	6/1/2025	0.0030	100% SOFR	$ 307	11/1/2052	A1/A+/A+
GO Millbrook	2,205	7/1/2025	0.0028	100% SOFR	231	12/1/2052	A1/A+/A+
GO Otto Veteran	4,835	3/1/2026	3.2730	100% SOFR	264	10/1/2053	A1/A+/A+
GO Poplar Place	3,495	5/1/2026	3.1080	100% SOFR	246	11/1/2053	A1/A+/A+
GO Beech Street Senior Lofts	3,480	6/1/2026	3.5200	100% SOFR	158	12/1/2053	A1/A+/A+
GO Wildwood Trace	2,600	8/1/2026	3.2500	100% SOFR	143	2/1/2054	A1/A+/A+
GO Quentin	4,126	10/1/2026	4.0650	100% SOFR	(113)	6/1/2054	A1/A+/A+
GO Harvey Rad	5,000	3/1/2027	3.8040	100% SOFR	(5)	10/1/2054	A1/A+/A+
GO Deville	1,712	4/1/2027	3.7740	100% SOFR	3	11/1/2054	A1/A+/A+
GO Lakeview Landing	1,008	5/1/2027	4.1740	100% SOFR	(38)	1/1/2055	A1/A+/A+
GO Trolley Circle	1,625	6/1/2027	3.8930	100% SOFR	(16)	1/1/2055	A1/A+/A+
	$ 33,451				$ 1,180		
Active Interest Rate Caps:							
Mortgage Loan Program Fund:							
HB****:							
Series 2008 A	$ 10,930	1/1/2018	6.0000	100% SIFMA	$ 2	1/1/2027	A1/A+/A+
Series 2008 C	4,010	5/9/2022	4.0000	70% SOFR + 0.18%	10	7/1/2027	A1/A+/A+
MFRB****:							
Series 2022 C	22,470	5/12/2022	4.0000	100% SOFR + 0.11%	394	7/1/2025	Aa1/A+/AA
	$ 37,410				$ 406		

** 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.

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 cap 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, 2024, 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, 2024. 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, 2024, the Authority was not exposed to credit risk for the swaps that had negative fair value of $2.7 million. 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, 2024, was $34.9 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.

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, 2024, 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	
	Principal	Interest	Swap, Net	Total
Year Ending June 30:				
2025	$ 1,375	$ 21,803	$ (5,368)	$ 17,810
2026	1,605	21,735	(5,363)	17,977
2027	9,350	21,662	(5,357)	25,655
2028	1,345	21,287	(5,350)	17,282
2029	1,390	21,223	(5,343)	17,270
	15,065	107,710	(26,781)	95,994
Year Ending June 30:				
2034	36,070	105,143	(27,229)	113,984
2039	119,650	92,663	(23,631)	188,682
2044	162,885	65,376	(16,620)	211,641
2049	111,215	30,017	(24,903)	116,329
2054	35,740	9,968	(7,818)	37,890
2059	6,790	2,901	(6,053)	3,638
2064	8,380	1,467	(516)	9,331
2069	1,055	151	(46)	1,160
	481,785	307,686	(106,816)	682,655
Total	$ 496,850	$ 415,396	$ (133,597)	$ 778,649

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

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.

NOTE 10 LEASES

The Authority has entered into a lease for office facilities and leases for office equipment 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. There are no additional lease contracts or renewal in the current fiscal year. For further details see Note 7 Capital Assets.

Lease payments (dollars in thousands) to maturity for the Authority's administrative fund are as follows:

Year Ending	Principal	Interest
2025	$ 1,254	$ 109
2026	1,312	54
2027	564	6
Total lease payments	$ 3,130	$ 169

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 four years. Periods covered by renewal and termination options are not included in the right-to-use asset or subscription liability balance until they are reasonably certain of exercise. For additional contracts or renewal in the current fiscal year, see further details in Note 7 Capital Assets.

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

Fiscal Year Ended	Government Principal	Government Interest	Proprietary Principal	Proprietary Interest
June 30, 2025	$ 284	$ 51	$ 648	$ 100
June 30, 2026	296	39	165	7
June 30, 2027	308	27	509	44
June 30, 2028	321	14	—	—
Total	$ 1,209	$ 131	$ 1,322	$ 151

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 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 $4.8 million as of June 30, 2024. The rebate liability are included in Accrued Liabilities and Other in the Authority's financial statement in the Single Family Program Fund and in the Mortgage Loan 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 2024 was $35.4 million. The Authority's contributions were calculated using the base salary amount of $34.9 million. The Authority contributed $2.1 million, or 6.00% of the base salary amount, in fiscal year 2024. Employee contributions amounted to $2.9 million, in fiscal year 2024, or approximately 8.31% of the base salary amount.

NOTE 14 COMMITMENTS AND CONTINGENCIES

A. Loans

At June 30, 2024, the Authority had authorized loans and grants totaling $60.8 million for the Illinois Affordable Housing Trust Fund.

Under the HOME Program, $600.6 million and $19.1 million for federal fiscal years 1992 through 2023 and 2024, 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, 2024, the Authority had authorized loans and grants totaling $7.5 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.

NOTE 14 COMMITMENTS AND CONTINGENCIES

A. Loans (Continued)

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, 2024, loans receivable under this program were approximately $44.6 million.

B. Issuances

A Summary of the Authority's outstanding issuances as of June 30, 2024, is as follows (in thousands):

Series	Date of Commitment	Estimated Delivery Date	Amount Not to Exceed
Multifamily Revenue Bonds:			
Taft Homes 4% - As part of a 2024 non-taxable refunding issuance	5/21/2021	4/1/2025	$ 6,000
Armory Terrace - As part of a 2024 non-taxable refunding issuance	11/24/2021	7/26/2024	9,000
Burnham Manor - As part of a 2024 refunding issuance	3/18/2022	8/8/2024	12,725
South Park Plaza - As part of a 2025 refunding issuance	06/16/2023	2/01/2025	12,750

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.

NOTE 15 SUBSEQUENT EVENTS

On July 1, 2024, $4 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 17, 2024, the Authority issued tax-exempt Multifamily Revenue Bonds in an aggregate amount of $30 million, the proceeds of which were used to finance the acquisition, rehabilitation and equipping of 98-unit senior rental housing development known as Ravine Terrace located in Waukegan, Illinois.

On July 26, 2024, the Authority issued tax-exempt Multifamily Revenue Bonds (Refunding Bonds) in an aggregate amount of $7.1 million to refund the tax-exempt Multifamily Mortgage Revenue Note, 2021 Series A (Armory Terrace) (2021 Series A Note), the proceeds of which were used to finance the acquisition, construction and equipping of 50-unit multifamily rental housing development located in Waukegan, 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 Refunding Bonds were issued on July 26, 2024 to refund the 2021 Series A Note issued on November 24, 2021 in an amount of $7.1 million.

On August 8, 2024, the Authority issued tax-exempt Multifamily Revenue Bonds (Refunding Bonds) in an aggregate amount of $12.725 million to refund the tax-exempt Multifamily Mortgage Revenue Note, 2022 Series A (Burnham Manor) (2022 Series A Note), the proceeds of which were used to finance the acquisition, rehabilitation and equipping of 100-unit senior rental housing development located in Elgin, Illinois. The Authority publicly offered the Variable Rate Refunding Bonds, which were issued on August 8, 2024 to refund the 2022 Series A Note issued on June 30, 2022 in an amount of $18.0 million.

On August 14,2024, the Authority issued its Revenue Bonds, 2024 Series E, F, G, and H, in the aggregate principal amount of $491 million. Proceeds of the Series 2024 E, F, G, and H 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 2024 E, F, G, and H Bonds.

On September 10, 2024, the Authority issued tax-exempt Multifamily Revenue Bonds in an aggregate amount of $23.7 million, the proceeds of which were used to finance the acquisition, rehabilitation and equipping of 123-unit senior rental housing development known as Willa Rawls located in Chicago, Illinois.

On September 26, 2024, the Authority issued tax-exempt Multifamily Revenue Bonds in an aggregate amount of $16.5 million, the proceeds of which were used to finance the acquisition, rehabilitation and equipping of 116-unit scattered site senior and family rental housing development known as Villager & Briarwood West Apartments located in Crystal Lake, Illinois.

NOTE 15 SUBSEQUENT EVENTS (CONTINUED)

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
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2024
(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
Current Assets:												
Cash and Cash Equivalents - Restricted	$ 1,625	$ 3	$ 435	$ —	$ 6,092	$ 31	$ 72	$ 112	$ —	$ —	$ 55	$ 2,402
Program Loans Receivable	296	3	—	—	—	—	59	—	—	—	—	—
Interest Receivable on Program Loans	12	—	—	—	—	—	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	—	—	—	—	—	—	65
Total Current Assets	1,933	6	435	—	6,092	31	131	112	—	—	55	2,467
Noncurrent Assets:												
Program Loans Receivable, Net of Current Portion	73,938	2,695	—	6,234	—	—	10,195	—	—	—	—	—
Less Allowance for Estimated Losses	(7,466)	(73)	—	(364)	—	—	(187)	—	—	—	—	—
Net program Loans Receivable	66,472	2,622	—	5,870	—	—	10,008	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	1
Total Noncurrent Assets	66,472	2,622	—	5,870	—	—	10,008	—	—	—	—	1
Total Assets	$ 68,405	$ 2,628	$ 435	$ 5,870	$ 6,092	$ 31	$ 10,139	$ 112	$ —	$ —	$ 55	$ 2,468
Liabilities and Fund Balances												
Current Liabilities:												
Unearned Revenue	$ 12	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 55	$ 2,468
Accrued Liabilities and Other	—	—	—	—	—	5	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	26	10	—	—	—	—	—
Total Current Liabilities	12	—	—	—	—	31	10	—	—	—	55	2,468
Fund Balances:												
Restricted	68,393	2,628	435	5,870	6,092	—	10,129	112	—	—	—	—
Total Fund Balances	68,393	2,628	435	5,870	6,092	—	10,129	112	—	—	—	—
Total Liabilities and Fund Balances	$ 68,405	$ 2,628	$ 435	$ 5,870	$ 6,092	$ 31	$ 10,139	$ 112	$ —	$ —	$ 55	$ 2,468

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

Assets	HOME ARP Fund	Total
Current Assets:		
Cash and Cash Equivalents - Restricted	$ —	$ 10,827
Program Loans Receivable	—	358
Interest Receivable on Program Loans	—	12
Due from Other Funds	—	65
Total Current Assets	—	11,262
Noncurrent Assets:	—	
Program Loans Receivable, Net of Current Portion	—	93,062
Less Allowance for Estimated Losses	—	(8,090)
Net program Loans Receivable	—	84,972
Other	—	1
Total Noncurrent Assets	—	84,973
Total Assets	$ —	$ 96,235
Liabilities and Fund Balances		
Current Liabilities:		
Unearned Revenue	$ —	$ 2,535
Accrued Liabilities and Other	—	5
Due to Other Funds	—	36
Total Current Liabilities	—	2,576
Fund Balances:		
Restricted	—	93,659
Total Fund Balances	—	93,659
Total Liabilities and Fund Balances	$ —	$ 96,235

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
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	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 Fund	COVID-19 Coronavirus Relief Fund	Housing Stability Counseling Program Fund	Housing Counseling Resource Program Fund
Revenues:												
Grants from State of Illinois	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 168	$ —	$ —	$ —
Federal Funds	—	256	—	—	—	2,467	19,865	—	—	300	1,691	—
Interest and Other Investment Income	147	2	—	—	—	—	—	—	—	37	11	50
Other Income	—	—	—	—	—	—	—	—	—	—	—	1,074
Total Revenues	147	258	—	—	—	2,467	19,865	—	168	337	1,702	1,124
Expenditures:												
General and Administrative	—	—	—	—	—	43	2,093	—	11	304	—	83
Grants	—	258	—	—	—	2,422	17,645	—	157	(4)	1,691	986
Financing Costs	—	—	—	—	—	2	127	—	—	—	—	5
Program Income Transferred to State of Illinois	—	—	—	—	—	—	—	—	—	37	11	50
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(8,878)	—	—	(770)	—	—	—	—	—	—	—	—
Total Expenditures	(8,878)	258	—	(770)	—	2,467	19,865	—	168	337	1,702	1,124
Net Change in Fund Balances	9,025	—	—	770	—	—	—	—	—	—	—	—
Fund Balances at Beginning of Year	59,368	2,628	435	5,100	6,092	—	10,129	112	—	—	—	—
Fund Balances at End of Year	$ 68,393	$ 2,628	$ 435	$ 5,870	$ 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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	HOME ARP Fund	Total
Revenues:		
Grants from State of Illinois	$ —	$ 168
Federal Funds	199	24,778
Interest and Other Investment Income	—	247
Other Income	—	1,074
Total Revenues	199	26,267
Expenditures:		
General and Administrative	189	2,723
Grants	—	23,155
Financing Costs	10	144
Program Income Transferred to State of Illinois	—	98
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	—	(9,648)
Total Expenditures	199	16,472
Net Change in Fund Balances	—	9,795
Fund Balances at Beginning of the Year	—	83,864
Fund Balances at End of Year	$ —	$ 93,659

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Assets					
Current Assets:					
Cash and Cash Equivalents - Restricted	$ 203,850	$ 2,077	$ 56,940	$ 23,240	$ 286,107
Investments - Restricted	7,506	—	12,306	175	19,987
Investment Income Receivable - Restricted	9	—	100	—	109
Program Loans Receivable	3,942	496	4,577	260	9,275
Interest Receivable on Program Loans	511	51	1,233	26	1,821
Due from Other Funds	34,346	1,845	—	9,895	46,086
Total Current Assets	250,164	4,469	75,156	33,596	363,385
Noncurrent Assets:					
Investments - Restricted	3,040	—	21,863	—	24,903
Program Loans Receivable, Net of Current Portion	156,879	13,750	370,346	5,529	546,504
Less Allowance for Estimated Losses	(6,444)	(97)	(1,089)	(1,073)	(8,703)
Net Program Loans Receivable	150,435	13,653	369,257	4,456	537,801
Real Estate Held for Sale	54	—	—	23	77
Less Allowance for Estimated Losses	(4)	—	—	(1)	(5)
Net Real Estate Held for Sale	50	—	—	22	72
Due from Fannie Mae	—	28,561	—	—	28,561
Due from Freddie Mac	—	4,305	—	—	4,305
Capital Assets					
Capital Assets, not being Depreciated	16,400	—	—	—	16,400
Capital Assets, net of Accumulated Depreciation	10,612	—	—	—	10,612
Others	413	—	—	1	414
Derivative Instrument Asset	12	—	5,451	—	5,463
Total Noncurrent Assets	180,962	46,519	396,571	4,479	628,531
Total Assets	431,126	50,988	471,727	38,075	991,916
Liabilities					
Current Liabilities:					
Bonds and Notes Payable	25,065	1,220	5,525	—	31,810
Accrued Interest Payable	291	442	5,377	—	6,110
Accrued Liabilities and Other	35	—	6,170	—	6,205
Due to Other Funds	—	—	9,023	—	9,023
Total Current Liabilities	25,391	1,662	26,095	—	53,148
Noncurrent Liabilities:					
Bonds and Notes Payable, Net of Current Portion	48,995	46,250	425,613	—	520,858
Derivative Instrument Liability	—	—	267	—	267
Total Noncurrent Liabilities	48,995	46,250	425,880	—	521,125
Total Liabilities	74,386	47,912	451,975	—	574,273
Deferred Inflows of Resources:					
Accumulated Increase in Fair Value of Hedging Derivatives	12	—	5,451	—	5,463
Total Deferred Inflows of Resources	12	—	5,451	—	5,463
Net Position					
Net Investment in Capital Assets	15,627	—	—	—	15,627
Restricted for Bond Resolution Purposes	341,101	3,076	14,568	38,075	396,820
Total Net Position	$ 356,728	$ 3,076	$ 14,568	$ 38,075	$ 412,447

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Operating Revenues:					
Interest and Other Investment Income	$ 11,629	$ 44	$ 2,812	$ 940	$ 15,425
Interest Earned on Program Loans	5,477	622	12,443	121	18,663
Other Income	14,038	—	—	—	14,038
Total Operating Revenues	31,144	666	15,255	1,061	48,126
Operating Expenses:					
Interest Expense	3,326	577	11,026	—	14,929
Other General and Administrative	6,068	—	1	2	6,071
Financing Costs	55	48	43	—	146
Program Grants	—	—	—	9	9
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	4,077	(359)	546	989	5,253
Provision for Estimated Losses on Real Estate Held for Sale	17	—	—	5	22
Total Operating Expenses	13,543	266	11,616	1,005	26,430
Operating Income	17,601	400	3,639	56	21,696
Nonoperating Revenues and Expenses					
Gain/(Loss) on Investment Sale Revenues	(5)	—	4	(1)	(2)
Net Increase (Decrease) in Fair Value of Investments	(57)	—	621	201	765
Total Nonoperating Income	(62)	—	625	200	763
Change in Net Position	17,539	400	4,264	256	22,459
Net Position at Beginning Of Year	339,189	2,676	10,304	37,819	389,988
Net Position at End of Year	$ 356,728	$ 3,076	$ 14,568	$ 38,075	$ 412,447

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Cash flows from operating activities:					
Receipts for program loans, interest, and service fees	$ 11,760	$ 1,099	$ 16,581	$ 707	$ 30,147
Payments for program loans	(59,123)	—	(73,612)	(1,289)	(134,024)
Receipts for credit enhancements	—	825	—	—	825
Payments for program grants	—	—	—	(9)	(9)
Payments to suppliers	(4,917)	(48)	(44)	—	(5,009)
Other receipts (Disbursements)	14,038	—	—	(2)	14,036
Net cash provided by (used in) operating activities	(38,242)	1,876	(57,075)	(593)	(94,034)
Cash flows from noncapital financing activities:					
Interest paid on revenue bonds and notes	(3,569)	(590)	(10,008)	—	(14,167)
Due to / from Other Funds	(341)	46	7,989	12	7,706
Proceeds from sale of housing bonds and notes	—	—	76,409	—	76,409
Principal paid on bonds and notes	(4,995)	(1,310)	(11,367)	—	(17,672)
Net cash provided by (used in) noncapital financing activities	(8,905)	(1,854)	63,023	12	52,276
Cash flows from capital financing and related activities:					
Acquisition of capital assets	(4,766)	—	—	—	(4,766)
Cash flows from investing activities:					
Purchase of investment securities	(548,358)	(3,736)	(98,680)	(20,784)	(671,558)
Proceeds from sales and maturities of investment securities	559,750	3,780	98,110	42,883	704,523
Interest received on investments	2,507	—	1,487	538	4,532
Transfers In	(4,962)	—	—	—	(4,962)
Transfers Out	—	—	1,586	—	1,586
Net cash provided by (used) in investing activities	8,937	44	2,503	22,637	34,121
Net increase (decrease) in cash and cash equivalents	(42,976)	66	8,451	22,056	(12,403)
Cash and cash equivalents at beginning of year	246,826	2,011	48,489	1,184	298,510
Cash and cash equivalents at end of year	$ 203,850	$ 2,077	$ 56,940	$ 23,240	$ 286,107
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating Income	$ 17,601	$ 400	$ 3,639	$ 56	$ 21,696
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Investment Income	(11,629)	(44)	(2,812)	(940)	(15,425)
Interest expense	3,326	577	11,026	—	14,929
Depreciation and amortization	1,242	—	—	—	1,242
Changes in provision for (reversal of) estimated losses on program loans receivable	4,077	(359)	546	989	5,253
Changes in provision for Estimated Losses on Real Estate Held for Sale	17			5	22
Changes in assets and liabilities:					
Program loans receivable	(52,412)	475	(71,511)	(662)	(124,110)
Interest receivable on program loans	(176)	2	(139)	(12)	(325)
Other assets	(221)	—	(2,361)	(29)	(2,611)
Other liabilities	(36)	—	2,443	—	2,407
Due from Fannie Mae	—	825	—	—	825
Changes in Deferred Outflow of Resources	—	—	(267)	—	(267)
Changes in Deferred Inflow of Resources	(31)	—	2,361	—	2,330
Total adjustments	(55,843)	1,476	(60,714)	(649)	(115,730)
Net cash provided by (used in) operating activities	$ (38,242)	$ 1,876	$ (57,075)	$ (593)	$ (94,034)
Noncash investing capital and financing activities:					
Transfer of foreclosed assets	$ 68	$ —	$ —	$ 27	$ 95
Increase (decrease) in the fair value of investments	**$ (57)**	**$ —**	**$ 621**	**$ 201**	**$ 765**

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Inter-Account Eliminations	Total
Assets					
Current Assets:					
Cash and Cash Equivalents - Restricted	$ 7,855	$ 893	$ 65,064	$ —	$ 73,812
Investments - Restricted	83,667	7,174	91,230	—	182,071
Investment Income Receivable - Restricted	302	114	14,533	—	14,949
Program Loans Receivable	9,478	—	17	—	9,495
Interest Receivable on Program Loans	538	—	—	—	538
Due from Other Funds	21,734	632	—	(22,366)	—
Total Current Assets	123,574	8,813	170,844	(22,366)	280,865
Noncurrent Assets:					
Investments - Restricted	58,369	35,491	3,278,453	—	3,372,313
Program Loans Receivable, Net of Current Portion	77,502	—	24	—	77,526
Less Allowance for Estimated Losses	(1,461)	—	(7)	—	(1,468)
Net Program Loans Receivable	76,041	—	17	—	76,058
Real Estate Held for Sale	365	—	—	—	365
Less Allowance for Estimated Losses	(182)	—	—	—	(182)
Net Real Estate Held for Sale	183	—	—	—	183
Derivative Instrument Assets	2,134	—	25,958	—	28,092
Other Receivables	1	—	—	—	1
Total Noncurrent Assets	136,728	35,491	3,304,428	—	3,476,647
Total Assets	260,302	44,304	3,475,272	(22,366)	3,757,512
Deferred Outflow of Resources					
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	2,264	—	2,264
Total Deferred Outflows of Resources	—	—	2,264	—	2,264
Liabilities					
Current Liabilities:					
Bonds and Notes Payable	8,340	1,386	85,239	—	94,965
Accrued Interest Payable	1,639	87	34,876	—	36,602
Accrued Liabilities and Other	1,039	1	4,314	—	5,354
Due to Other Funds	—	2,346	72,694	(22,366)	52,674
Total Current Liabilities	11,018	3,820	197,123	(22,366)	189,595
Noncurrent Liabilities:					
Bonds and Notes Payable, Net of Current Portion	120,293	35,381	3,320,233	—	3,475,907
Derivative Instrument Liability	—	—	2,264	—	2,264
Total Noncurrent Liabilities	120,293	35,381	3,322,497	—	3,478,171
Total Liabilities	131,311	39,201	3,519,620	(22,366)	3,667,766
Deferred Inflow of Resources					
Accumulated Increase in Fair Value of Hedging Derivatives	2,134	—	25,958	—	28,092
Deferred Revenue			10,370		10,370
Total Deferred Inflows of Resources	2,134	—	36,328	—	38,462
Net Position					
Restricted for Bond Resolution Purposes	126,857	5,103	—	—	131,960
Unrestricted	—	—	(78,412)	—	(78,412)
Total Net Position	$ 126,857	$ 5,103	$ (78,412)	$ —	$ 53,548

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
Operating Revenues:				
Investment and Other Investment Income	$ 7,073	$ 1,696	$ 125,335	$ 134,104
Interest Earned on Program Loans	3,492	—	—	3,492
Other Income	1	—	—	1
Total Operating Revenues	10,566	1,696	125,335	137,597
Operating Expenses:				
Interest Expense	4,172	1,141	102,203	107,516
Other General and Administrative	490	—	—	490
Financing Costs	424	160	12,183	12,767
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	100	—	3	103
Provision for Estimated Losses on Real Estate Held for Sale	290	—	2	292
Total Operating Expenses	5,476	1,301	114,391	121,168
Operating Income	5,090	395	10,944	16,429
NonOperating Revenues and Expenses				
Gain/Loss on Investment Sale Revenues	339	23	(42)	320
Net Decrease in Fair Value of Investments	(881)	(423)	(13,102)	(14,406)
Total Nonoperating Loss	(542)	(400)	(13,144)	(14,086)
Income (Loss) Before Transfers	4,548	(5)	(2,200)	2,343
Transfers In	—	—	3,687	3,687
Total Transfers	—	—	3,687	3,687
Change in Net Position	4,548	(5)	1,487	6,030
Net Position at Beginning of Year	122,309	5,108	(79,899)	47,518
Net Position at End of Year	$ 126,857	$ 5,103	$ (78,412)	$ 53,548

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, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
Cash Flows From Operating Activities:				
Receipts for Program Loans, Interest and Service Fees	$ 23,615	$ —	$ 33	$ 23,648
Payments for Loan Program Loans	(15,581)	—	—	(15,581)
Payments to Suppliers	(914)	(160)	(12,183)	(13,257)
Other Receipts	1	—	1,903	1,904
Net Cash Provided (Used) by Operating Activities	7,121	(160)	(10,247)	(3,286)
Cash Flows From Noncapital Financing Activities:				
Interest Paid on Revenue Bonds and Notes	(4,680)	(1,148)	(79,821)	(85,649)
Due To / From Other Funds	1,778	(166)	23,339	24,951
Proceeds From Sale of Revenue Bonds and Notes	—	—	1,699,420	1,699,420
Principal Paid on Revenue Bonds and Notes	(51,548)	(3,477)	(293,826)	(348,851)
Transfers In	—	—	3,687	3,687
Net Cash Provided (Used) by Noncapital Financing Activities	(54,450)	(4,791)	1,352,799	1,293,558
Cash Flows From Investing Activities:				
Purchase of Investment Securities	(365,798)	(21,184)	(266,435)	(653,417)
Proceeds From Sales and Maturities of Investment Securities	410,614	17,777	446,271	874,662
Interest Received on Investments	4,177	1,558	124,657	130,392
Transfers In	(4,132)	—	(1,700,934)	(1,705,066)
Net Cash Provided (Used) by Investing Activities	44,861	(1,849)	(1,396,441)	(1,353,429)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,468)	(6,800)	(53,889)	(63,157)
Cash and Cash Equivalents at Beginning of the Year	10,323	7,693	118,953	136,969
Cash and Cash Equivalents at End of the Year	$ 7,855	$ 893	$ 65,064	$ 73,812
Reconciliation of Operating Income to Net Cash provided (Used) by Operating Activities:				
Operating Income	$ 5,090	$ 395	$ 10,944	$ 16,429
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Investment Income	(7,073)	(1,696)	(125,335)	(134,104)
Interest Expense	4,172	1,141	102,203	107,516
Changes in Provision for (Reversal of) Estimated Losses on Program Loans Receivable	100	—	3	103
Changes in Provision for for Estimated Losses on Real Estate Held for Sale	290	—	2	292
Changes in Assets and Liabilities:				
Program Loans Receivable	4,159	—	35	4,194
Interest Receivable on Program Loans	(147)	—	—	(147)
Other Assets	(918)	—	(9,767)	(10,685)
Other Liabilities	977	—	2,088	3,065
Changes in Deferred Outflow of Resources	—	—	(2,088)	(2,088)
Changes in Deferred Inflow of Resources	471	—	11,668	12,139
Total Adjustments	2,031	(555)	(21,191)	(19,715)
Net Cash Provided (Used) by Operating Activities	$ 7,121	$ (160)	$ (10,247)	$ (3,286)
Noncash Investing Capital and Financing Activities:				
Transfer of Foreclosed Assets	$ 796	$ —	$ —	$ 796
Decrease in Fair Value of Investments	$ (881)	$ (423)	$ (13,102)	$ (14,406)

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF NET POSITION –
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC
(DOLLARS IN THOUSANDS)
FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 1	$ 39	$ 30	$ 9	$ 79
Total Current Assets	1	39	30	9	79
Noncurrent Assets:					
Real Estate Held for Sale	364	1,444	958	4,810	7,576
Less Allowance for Estimated Losses	—	—	—	—	—
Net Real Estate Held for Sale	364	1,444	958	4,810	7,576
Total Noncurrent Assets	364	1,444	958	4,810	7,576
Total Assets	365	1,483	988	4,819	7,655
Net Position					
Unrestricted	365	1,483	988	4,819	7,655
Total Net Position	$ 365	$ 1,483	$ 988	$ 4,819	$ 7,655

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION -
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC
(DOLLARS IN THOUSANDS)
FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
Operating Revenues:					
Rental Income	$ 41	$ 76	$ 77	$ 69	$ 263
Other Income	1	—	5	1	7
Total Operating Revenues	42	76	82	70	270
Operating Expenses:					
Other General and Administrative	59	36	56	118	269
Total Operating Expenses	59	36	56	118	269
Operating Income (Loss)	(17)	40	26	(48)	1
Income (Loss) before Capital Contributions	(17)	40	26	(48)	1
Capital Contributions	382	1,443	962	4,867	7,654
Total Capital Contributions	382	1,443	962	4,867	7,654
Change in Net Position	365	1,483	988	4,819	7,655
Net Position at Beginning of Year	—	—	—	—	—
Net Position at End of Year	$ 365	$ 1,483	$ 988	$ 4,819	$ 7,655

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF CASH FLOWS –
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITION LLC
(DOLLARS IN THOUSANDS)
FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
Cash Flows from Operating Activities:					
Receipts for Rental Operations	$ 42	$ 76	$ 82	$ 70	$ 270
Payments for Rental Operations	(59)	(36)	(56)	(118)	(269)
Net Cash Provided (Used) by Operating Activities	(17)	40	26	(48)	1
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions	18	(1)	4	57	78
Net Increase (Decrease) in Cash and Cash Equivalents	1	39	30	9	79
Cash and Cash Equivalents at Beginning of the Year	—	—	—	—	—
Cash and Cash Equivalents at End of the Year	$ 1	$ 39	$ 30	$ 9	$ 79
Operating Income (Loss)	(17)	40	26	(48)	1
Net Cash Provided (Used) by Operating Activities	$ (17)	$ 40	$ 26	$ (48)	$ 1
Noncash Investing Capital and Financing Activities:					
Transfer of Foreclosed Assets	$ 1	$ 39	$ 30	$ 9	$ 79

STATISTICAL SECTION

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATISTICAL SECTION
YEAR ENDED JUNE 30, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in Capital Assets	$ 123,458	$ 50,658	$ 107,148	$ 69,032	$ 41,515	$ 21,753	$ —	$ —	$ —	$ —
Restricted for Bond Resolution Purposes	—	—	—	—	—	—	—	—	—	—
Restricted for Loan and Grant Programs	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	487,761,000
Unassigned	—	—	—	—	—	—	—	—	—	—
Total Governmental activities net position	$ 435,468,060	$ 431,859,044	$ 534,754,597	$ 412,146,643	$ 476,745,042	$ 415,080,803	$ 471,241,000	$ 419,908,000	$ 460,155,000	$ 487,761,000
Business-type activities										
Net Investment in Capital Assets	$ (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	$ 16,697,000
Restricted for Bond Resolution Purposes	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	528,780,000
Restricted for Loan and Grant Programs	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	46,807,000
Unrestricted	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	293,719,000
Total Business-type activities net position	$ 546,604,209	$ 618,633,868	$ 671,729,129	$ 707,940,389	$ 777,742,702	$ 860,715,159	$ 903,556,100	$ 846,494,100	$ 828,847,100	$ 886,003,000
Entity-wide										
Net Investment in Capital Assets	$ (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	$ 16,697,000
Restricted for Bond Resolution Purposes	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	528,780,000
Restricted for Loan and Grant Programs	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	534,568,000
Unrestricted	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	293,719,000
Total entity-wide net position	$ 982,072,269	$1,050,492,912	$1,206,483,726	$1,120,087,032	$1,254,487,744	$1,275,795,962	$1,374,797,100	$1,266,402,100	$1,289,002,100	$1,373,764,000

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
FINANCIAL TRENDS INFORMATION
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Illinois Affordable Housing Trust Fund Program	$ 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	$ 22,287,000
HOME Program	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	18,081,000
Rental Housing Support Program	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	20,851,000
Hardest Hit Fund	48,616,605	35,510,094	76,189,962	116,164,137	89,840,917	52,370,908	—	—	—	—
ARRA Fund	—	—	—	—	—	—	—	—	—	—
Build Illinois Bond Program	102,396,242	13,358,746	—	—	—	—	8,786,000		36,073,000	42,981,000
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	132,303,000
COVID-19 Homeowner Assistance Fund	—	—	—	—	—	—	—	7,051,000	239,451,000	130,773,000
COVID-19 State and Local Recovery Program	—	—	—	—	—	—	—	—	74,857,000	103,245,000
Other Programs	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	16,472,000
Total Governmental activities	$ 202,145,846	$ 92,054,930	$ 118,980,509	$ 180,244,388	$ 126,528,683	$ 100,107,038	$ 521,870,000	$ 859,390,000	$ 488,275,000	$ 486,993,000
Business-type Activities:										
Administrative Programs	$ 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	$ 55,882,000
Multi-Family Mortgage Loan Programs	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	26,430,000
Multi-Family Federal Assistance Programs	116,262,641	109,660,510	97,889,564	80,118,448	60,702,300	59,086,028	—	—	—	—
Single-Family Mortgage Loan Programs	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	121,168,000
Tax Credit Authorization and Monitoring	1,631,256	2,511,320	2,421,895	2,273,964	2,721,506	1,158,499	—	—	—	—
FAF Lending Program	—	—	—	—	—	—	—	—	—	—
IHDA Dispositions LLC*	113,437	41,630	388,768	209,987	57,834	—	—	—	—	269,000
Total Business-type activities	$ 193,039,943	$ 177,227,055	$ 164,414,782	$ 149,682,729	$ 141,760,202	$ 144,652,500	$ 133,656,000	$ 111,441,000	$ 132,801,000	$ 203,749,000
Total entity-wide expenses	$ 395,185,789	$ 269,281,985	$ 283,395,291	$ 329,927,117	$ 268,288,885	$ 244,759,538	$ 655,526,000	$ 970,831,000	$ 621,076,000	$ 690,742,000
Program Revenues										
Governmental activities:										
Illinois Affordable Housing Trust Fund Program	$ 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	$ 22,287,000
HOME Program	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	23,997,000
Rental Housing Support Program	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	20,851,000
Hardest Hit Fund	46,872,267	52,282,305	143,497,834	1,117,127	128,823,137	895,285	—	—	—	—
ARRA Fund	—	—	—	—	—	—	—	—	—	—
Build Illinois Bond Program	57,918,940	669,030	—	—	—	—	70,012,000	—	69,684,000	54,877,000
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	132,303,000
COVID-19 Homeowner Assistance Fund	—	—	—	—	—	—	—	7,051,000	239,451,000	130,773,000
COVID-19 State and Local Recovery Program	—	—	—	—	—	—	—	—	74,857,000	103,245,000
Other Programs	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	26,266,000
Total Governmental activities	$ 168,357,343	$ 113,523,914	$ 227,076,062	$ 57,636,434	$ 191,127,082	$ 38,442,799	$ 578,030,000	$ 808,084,000	$ 528,696,000	$ 514,599,000

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
FINANCIAL TRENDS INFORMATION
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Administrative Programs	$ 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	$ 44,372,000
Multi-Family Mortgage Loan Programs	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	32,701,000
Multi-Family Federal Assistance Programs	116,262,641	109,660,510	97,889,564	80,118,448	60,702,300	59,106,028	—	—	—	—
Single-Family Mortgage Loan Programs	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	3,493,000
Tax Credit Authorization and Monitoring	5,239,797	7,069,882	5,405,549	8,476,003	6,799,304	6,381,178	—	—	—	—
FAF Lending Program	646,713	636,095	628,679	691,426	577,694	536,275	—	—	—	—
IHDA Dispositions LLC*	140,816	55,310	60,183	38,516	21,945	—	—	—	—	270,000
Total Business-type activities	$ 188,846,871	$ 200,321,023	$ 181,499,255	$ 156,732,597	$ 185,374,777	$ 198,872,251	$ 97,378,000	$ 89,268,000	$ 84,296,000	$ 80,836,000
Total entity-wide revenues	$ 357,204,214	$ 313,844,937	$ 408,575,317	$ 214,369,031	$ 376,501,859	$ 237,315,050	$ 675,408,000	$ 897,352,000	$ 612,992,000	$ 595,435,000
Net (Expenses)/Revenue										
Governmental activities	$ (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	$ 27,606,000
Business-type activities	(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)	(122,913,000)
Total entity-wide net (expense)/revenue	$ (37,981,575)	$ 44,562,952	$ 125,180,026	$ (115,558,086)	$ 108,212,974	$ (7,444,488)	$ 19,882,000	$ (73,479,000)	$ (8,084,000)	$ (95,307,000)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Transfers	$ (5,200,000)	$ (25,078,000)	$ (5,200,000)	$ —	$ —	$ —	$ —	$ (27,000)	$ (174,000)	$ —
Total Governmental activities	$ (5,200,000)	$ (25,078,000)	$ (5,200,000)	$ —	$ —	$ —	$ —	$ (27,000)	$ (174,000)	$ —
Business-type activities										
Unrestricted Investment Income	$ 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	$ 172,415,000
Gain on Disposition	—	—	—	—	—	—	—	—	—	—
Capital Contributions	340,000	(215,294)	181,485	—	—	—	—	75,000	—	—
Transfers	5,200,000	25,078,000	5,200,000	—	—	—	—	27,000	174,000	7,654,000
Total Business-type activities	$ 42,474,972	$ 48,935,691	$ 36,010,788	$ 29,161,392	$ 26,187,738	$ 28,752,706	$ 79,119,000	$ (38,970,000)	$ 30,858,000	$ 180,069,000
Total entity-wide	$ 37,274,972	$ 23,857,691	$ 30,810,788	$ 29,161,392	$ 26,187,738	$ 28,752,706	$ 79,119,000	$ (38,997,000)	$ 30,684,000	$ 180,069,000
Change in Net Position										
Governmental activities	$ (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	$ 27,606,000
Business-type activities	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)	57,156,000
Total entity-wide	$ (706,603)	$ 68,420,643	$ 155,990,814	$ (86,396,694)	$ 134,400,712	$ 21,308,218	$ 99,001,000	$ (112,476,000)	$ 22,600,000	$ 84,762,000

* 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Funds										
Nonspendable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Restricted	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	487,618,000
Committed	—	—	—	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—	—
Total Fund Balances of Governmental Funds	$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	$487,618,000

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Grants from State of Illinois	$ 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	$ 87,363,000
Federal Funds	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	399,084,000
Interest and investment income	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	27,014,000
Other	—	—	—	445,040	—	696,789	2,000	—	862,000	1,149,000
Total revenues	$ 168,371,611	$ 113,516,821	$ 227,104,611	$ 57,626,978	$ 191,147,978	$ 38,437,017	$ 578,034,000	$ 808,082,000	$ 528,714,000	$ 514,610,000
Expenditures										
Debt Service:										
Principal	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 901,000	$ 494,000
Interest	—	—	—	—	—	—	—	—	31,000	73,000
Grants	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	416,796,000
General and administrative	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	53,192,000
Program income transferred to State of Illinois	13,182	13,780	49,506	222,827	450,917	540,671	11,000	281,000	15,212,000	18,067,000
Provision for estimated losses on program loans receivable	(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	(3,435,000)
Financing Costs	—	—	—	—	—	491,751	141,000	9,000	179,000	1,806,000
Total expenditures	$ 202,093,970	$ 91,982,130	$ 119,036,999	$ 180,206,272	$ 126,501,167	$ 100,087,276	$ 521,848,000	$ 859,390,000	$ 488,275,000	$ 486,993,000
Excess/(deficiency) of revenues over expenditures	$ (33,722,359)	$ 21,534,691	$ 108,067,612	$(122,579,294)	$ 64,646,811	$ (61,650,259)	$ 56,186,000	$ (51,308,000)	$ 40,439,000	$ 27,617,000
Other Financing Sources (Uses)										
Transfers In	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 7,406,000	$ —	$ —
Transfers Out	(5,200,000)	(25,078,000)	(5,200,000)	—	—	—	—	(7,433,000)	(174,000)	—
Total Other Financing Sources (Uses)	$ (5,200,000)	$ (25,078,000)	$ (5,200,000)	$ —	$ —	$ —	$ —	$ (27,000)	$ (174,000)	$ —
Net Change in Fund Balances	$ (38,922,359)	$ (3,543,309)	$ 102,867,612	$(122,579,294)	$ 64,646,811	$ (61,650,259)	$ 56,186,000	$ (51,335,000)	$ 40,265,000	$ 27,617,000
Special Item	$ (66,143)	$ (65,707)	$ 27,941	$ (28,660)	$ (48,412)	$ (13,891)	$ (26,000)	$ 2,000	$ —	$ —
Net Change in Net Position of Governmental Activities	$ (38,988,502)	$ (3,609,016)	$ 102,895,553	$(122,607,954)	$ 64,598,399	$ (61,664,150)	$ 56,160,000	$ (51,333,000)	$ 40,265,000	$ 27,617,000
Debt Service as a percentage of noncapital expenditures	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Illinois Affordable Housing Trust Fund Program	$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	$ 369,422,000
HOME Program	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	298,260,000
Hardest Hit Fund	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	6,729,000
COVID-19 Coronavirus Relief Fund	—	—	—	—	—	—	—	—	—	—
COVID-19 Homeowner Assistance Fund	—	—	—	—	—	—	—	—	—	—
COVID-19 Emergency Rental Assistance Fund	—	—	—	—	—	—	—	—	—	—
Neighborhood Stabilization Program	—	—	—	—	—	—	—	—	—	—
Other Programs	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	85,330,000
Total governmental activities	$657,452,746	$655,100,120	$656,753,441	$632,589,294	$661,876,621	$677,556,839	$695,668,000	$688,110,000	$ 715,166,000	$ 759,741,000
Business-type activities:										
Administrative Fund	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	52,040,000
Mortgage Loan Program Fund	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	547,076,000
Single Family Program Fund	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	85,553,000
IHDA Dispositions LLC*	—	—	—	—	—	—	—	—	—	—
	$788,802,546	$751,375,520	$650,118,312	$587,385,440	$511,830,452	$449,872,721	$527,488,000	$540,940,000	$ 573,834,000	$ 684,669,000
Total entity-wide	$1,446,255,292	$1,406,475,640	$1,306,871,753	$1,219,974,734	$1,173,707,073	$1,127,429,560	$1,223,156,000	$1,229,050,000	$1,289,000,000	$1,444,410,000
Total interest income on loans	$ 42,230,120	$ 36,942,609	$ 32,142,357	$ 30,137,414	$ 25,924,997	$ 21,580,727	$ 19,768,000	$ 20,776,000	$ 21,132,000	$ 23,172,000
Average rate of return for year	2.92 %	2.63 %	2.46 %	2.47 %	2.21 %	1.91 %	1.62 %	1.69 %	1.64 %	1.60 %

* 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	2.97 %	3.02 %	1.44 %	2.74 %	2.09 %	1.52 %	1.10 %	1.30 %	1.36 %	1.95 %
Mortgage Loan Program Fund	4.96 %	4.83 %	5.35 %	5.30 %	5.43 %	5.04 %	3.60 %	3.87 %	3.83 %	3.41 %
Single Family Program Fund	6.61 %	5.62 %	5.74 %	5.78 %	5.62 %	5.52 %	5.38 %	4.94 %	4.43 %	4.08 %
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	2.92 %	2.63 %	2.46 %	2.47 %	2.21 %	1.91 %	1.62 %	1.69 %	1.64 %	1.60 %

* 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Bonds and Notes Payable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Governmental activities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Business-type activities:										
Bonds and Notes Payable	$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	$4,166,942,000
Subscription Liabilities	—	—	—	—	—	—	—	—	3,045,000	2,531,000
Lease Liabilities	—	—	—	—	—	—	—	—	4,373,000	3,131,000
Total Business-type activities	$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	$2,743,363,000	$4,172,604,000
Total entity-wide	$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	$2,743,363,000	$4,172,604,000
Entity-wide										
Investments	$ 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	$ 242,082,000
Restricted Investments	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	3,676,448,000
Net Mortgage Loans Receivable	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	1,444,410,000
Total investments, restricted investments and net mortgage loans receivable	$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	$5,362,940,000
Debt as a percentage of investments, restricted investments and net mortgage loans receivable	60.78 %	52.48 %	50.83 %	53.98 %	55.71 %	58.40 %	65.28 %	63.95 %	72.99 %	77.80 %

Note: Details regarding the Authority's outstanding debt can be found in Note 8 to the current financial statements. Details regarding the Authority's subscriptions and lease liabilities can be found in Note 10, and Note 11 to the current financial statements.

Authority Debt Limitation: Pursuant to the IHDA Act(20 ILCS 3805/22), effective July 1, 2024 the Authority has the power to have up to $11.5 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. Prior years the Authority had 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, 2024 amounts outstanding against this limitation were approximately $6.3 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
State of Illinois										
Population	12,859,585	12,821,709	12,779,893	12,724,685	12,671,821	12,812,508	12,582,032	12,582,515	12,549,689	n/a
Personal income (millions of dollars)	666,944	673,691	693,331	728,366	748,812	792,136	850,197	851,243	890,438	n/a
Per capita personal income (dollars)	51,443	52,036	53,645	56,512	58,273	61,957	67,095	66,625	69,174	n/a
Unemployment rate	6.1 %	5.4 %	4.7 %	4.5 %	3.6 %	7.5 %	5.1 %	4.6 %	4.5 %	n/a
Poverty rate	13.6 %	13.0 %	12.6 %	12.1 %	11.5 %	12.0 %	11.9 %	11.9 %	11.9 %	n/a
Median home value (dollars)	173,800	174,800	179,700	187,200	194,500	202,100	212,600	239,100	n/a	n/a

* N/A

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

	Calendar Year 2023			Calendar Year 2014		
Sector	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Trade, Transportation & Utilities	1,219,100	1	19.98 %	1,177,292	1	20.03 %
Professional & Business Services	929,100	2	15.23 %	908,883	2	15.46 %
Education & Health Services	976,200	3	16.00 %	886,092	3	15.08 %
Government	817,700	4	13.40 %	825,692	4	14.05 %
Manufacturing	581,900	5	9.54 %	580,392	5	9.87 %
Leisure & Hospitality	594,900	6	9.75 %	558,400	6	9.50 %
Financial Activities	399,800	7	6.55 %	378,025	7	6.43 %
Other Services	252,600	8	4.14 %	252,225	8	4.29 %
Construction	233,400	9	3.83 %	201,825	9	3.43 %
Information	88,700	10	1.45 %	99,008	10	1.68 %
Mining & Logging	7,200	11	0.12 %	9,933	11	0.17 %
Totals	6,100,600			5,877,767		

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function										
Executive	3	5	8	7	5	8	9	10	9	12
Accounting	12	12	13	15	11	16	19	19	20	17
Legal	18	18	20	19	18	22	24	26	28	28
Human Resources	6	6	7	7	7	6	6	8	10	10
Asset Management *	48	53	53	65	67	66	71	70	75	79
Homeownership (Single Family) *	21	15	15	23	26	31	30	30	31	33
Finance	11	11	12	15	15	17	19	23	25	23
Operational Excellence	6	6	8	7	7	7	6	6	8	7
Information Technology	17	19	21	24	24	30	39	37	39	38
Communications (Public Affairs)	4	6	5	5	5	5	6	7	5	6
Internal Audit	6	5	5	3	5	4	5	4	6	7
Strategic Planning & Reporting	6	18	19	19	19	18	20	22	22	22
Community Affairs	8	11	10	11	11	12	13	14	15	15
Hardest Hit Fund Department ***	21	32	35	44	23	19	0	0	0	0
Multifamily	30	28	31	31	28	34	36	37	45	48
Loan Portfolio Management *	29	31	27	0	0	0	0	0	0	0
Housing Coordination	6	0	0	0	0	0	0	0	0	0
Strategic Response **	0	0	0	0	0	0	26	28	27	23
Total entity full-time equivalent	252	276	289	295	271	295	329	341	365	368

* 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

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APPENDIX B

CERTAIN INFORMATION REGARDING THE RISK SHARE LOANS
AS OF OCTOBER 31, 2024

LOAN NAME	NO. OF UNITS	PRINCIPAL BALANCE	FIRST DISBURSEMENT	AMORT. START DATE	AMORT. TERM (YEARS)	EXPECTED FINAL MATURITY	INTEREST RATE	PLACED IN SERVICE DATE±	EXPECTED DSCR	LOAN LOCKOUT DATE EXPIRATION	LIHTC COMPLIANCE EXPIRATION DATE	SECT. 8 EXPIRATION DATE	NO. OF SECTION 8 UNITS	EXTENDED USE EXPIRATION DATE
Series 2021A Risk Share Loan	418	$83,000,000	1/29/2021	2/1/2021	17	1/1/2041	3.10%	10/7/2022	1.26	4/1/2034	10/7/2037	10/7/2042	239	10/7/2052
Series 2021B Risk Share Loan	171	$27,600,000	6/3/2021	7/1/2021	35	7/1/2041	3.02%	12/31/2022	1.23	8/1/2031	12/31/2037	12/31/2042	170	12/31/2052
Series 2022A Risk Share Loan	212	$21,300,000	2/17/2022	3/1/2022	40	3/1/2062	3.53%	12/31/2022	1.11	3/1/2032	12/31/2037	12/31/2042	212	12/31/2052

± Under the Risk Share Loan Agreements, the respective Series 2024H Borrowers and the Authority have agreed that applicable Risk Share Loans may not be prepaid in whole or in part at the option of the applicable Series 2024H Borrower at any time prior to (i) March 1, 2034 with respect to the Series 2021A Risk Share Loan, (ii) August 1, 2023 with respect to the Series 2021B Risk Share Loan and (iii) April 1, 2032 with respect to the Series 2022A Risk Share Loan. However, the Authority may waive a prohibition on prepayments contained in any Risk Share Loan.

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APPENDIX C

FORM OF 2024H INDENTURE
(DRAFT AS OF DECEMBER 17, 2024)

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ILLINOIS HOUSING DEVELOPMENT AUTHORITY

2024 SERIES H INDENTURE

Dated as of December 1, 2024

PROVIDING FOR THE ISSUANCE OF

$100,585,000 PRINCIPAL AMOUNT
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-1

AND

$1,030,000 PRINCIPAL AMOUNT
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-2

TABLE OF CONTENTS

(This Table of Contents is not part of the 2024 Series H Indenture, but is included for convenience of reference only.)

ARTICLE VI
AUTHORITY COVENANTS

ARTICLE VII
MISCELLANEOUS PROVISIONS

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

$100,585,000 PRINCIPAL AMOUNT
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-2

AND

$1,030,000 PRINCIPAL AMOUNT
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H-2

2024 SERIES H INDENTURE

This 2024 Series H Indenture is dated as of December 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. 2024 Series H Indenture.

(a) This 2024 Series H Indenture (hereinafter referred to as the "2024 Series H Indenture") is adopted in accordance with the Resolution of the Authority dated November 22, 2024 (the "Resolution") and the General Indenture, as defined below, and pursuant to the authority contained in the Act. This 2024 Series H 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 2024 Series H Indenture, the provisions of the General Indenture (as such provisions exist on the date of execution and delivery of this 2024 Series H Indenture) shall be deemed incorporated into this 2024 Series H Indenture as if such provisions were set forth herein.

(c) The 2024 Series H Bonds issued pursuant to this 2024 Series H 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 H 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 2024 Series H Indenture, the following terms shall have the meanings set forth below:

"*Account*" means one of the special accounts created and established pursuant to this 2024 Series H Indenture.

"*Authorized Denominations*" means $5,000 and $5,000 integral multiples above that amount.

"*Available Moneys*" means, as of any date of determination, any of the following, as applicable:

(a) the proceeds of the 2024 Series H Bonds;

(b) moneys drawn on a letter of credit;

(c) moneys received by the Trustee representing advances to the Borrowers (or an affiliate) of funds from other third parties representing loans earmarked for the Financed Developments;

(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 H 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 Borrowers become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments made by the Borrowers 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 (f) above.

"*Book Entry Depository*" shall have the meaning as provided in Section 2.06 of this 2024 Series H Indenture.

"*Borrowers*" means, collectively, Circle Park Preservation, L.P., a New York limited partnership, Decatur Preservation, L.P., a New York limited partnership, and Morningside Court Preservation, L.P., a New York limited partnership.

"*Closing Date*" means December 19, 2024.

"*Determination*" means the Determination or collectively the Determinations of the Authority authorizing the issuance of the 2024 Series H Bonds.

"*Federal Insurance*" means insurance of the 2024 Series H Risk Share 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.

"*Financed Developments*" means, collectively, the housing developments originally financed with the Prior Bonds; each such "*Financed Development*" also constitutes a "Project" for purposes of this 2024 Series H Indenture and the 2024 Series H Loans 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 Agreements*" means, collectively, IHDA Regulatory Agreements entered into between the respective Borrowers and the Authority setting forth certain restrictions on the occupancy and operation of the Financed Developments, as required by the Act.

"*Interest Payment Date*" means each January 1 and July 1, commencing July 1, 2025, any Redemption Date, and the Maturity Date.

"*Loans*" or "*2024 Series H Loans*" means the 2024 Series H Risk Share Loans and includes any instrument evidencing an ownership interest in or security for such Loans and any related documents with respect to the related Financed Developments.

"*Local Time*" means the Central Time zone in effect at the time.

"*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 Authority, designated by the Authority, that assigns credit ratings.

"*Mortgage*" means the first lien mortgage or deed of trust executed to secure the payment obligation under a 2024 Series H Risk Share Loans.

"*Prior Bonds*" means the Multifamily Revenue Bonds, 2021 Series A, 2021 Series B and 2022 Series A.

"*Qualified Project Period*" means a period beginning on the first day on which 10% of the residential units in the applicable 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 the applicable Financed Development are first occupied, (b) the first day on which no tax-exempt private activity bond issued with respect to the applicable Financed Development is outstanding, or (c) the date on which any assistance provided with respect to the applicable Financed Development under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"*Rating Agency*" shall mean Moody's or any nationally recognized statistical rating Authority then maintaining a rating on the 2024 Series H Bonds at the request of the Authority.

"*Record Date*" means the 15th day of the calendar month next immediately preceding each Interest Payment Date.

"*Redemption Date*" means any date upon which the 2024 Series H Bonds are to be redeemed pursuant to this 2024 Series H Indenture.

"*Reserve Requirement*" means an amount equal to at least the maximum semiannual debt service on the 2024 Series H Bonds (excluding July 1, 2025, July 1, 2041, and January 1, 2042) plus one month's interest on the 2024 Series H Risk Share Loans, which is initially $3,035,000 with respect to the 2024 Series H 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 2024 Series H Indenture.

"*Tax Certificate*" means the Arbitrage and Tax Certificate of the Authority delivered in connection with the issuance of the 2024 Series H-1 Bonds.

"*Tax Regulatory Agreements*" means, collectively, the Amended and Restated Use Restriction Agreements, dated as of December 1, 2024, entered into by and among the Authority, the respective Borrower and the Trustee.

"*Transferred Proceeds*" means moneys on deposit with the Trustee in the various accounts relating to the Prior Bonds in the Reserve Fund in the aggregate amount of $3,035,000, a portion of which in the amount of $3,035,000 will be transferred to the 2024 Series H Account of the Reserve Fund and allocated to the 2024 Series H-1 Bonds following the redemption of the Prior Bonds.

"*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 H Bonds*" means the 2024 Series H-1 Bonds and the 2024 Series H-2 Bonds.

"*2024 Series H-1 Bonds*" means the Illinois Housing Development Authority Multifamily Revenue Bonds, 2024 Series H-1 in the aggregate principal amount of $100,585,000 authorized by this 2024 Series H Indenture.

"*2024 Series H-2 Bonds*" means the Illinois Housing Development Authority Multifamily Revenue Bonds, 2024 Series H-2 in the aggregate principal amount of $1,030,000 authorized by this 2024 Series H Indenture.

"*2024 Series H Cost of Issuance Subaccount*" means the segregated Account designated the 2024 Series H Cost of Issuance Subaccount into which amounts relating to the 2024 Series H Bonds are deposited, which subaccount is established in Section 4.01 of this 2024 Series H Indenture.

"*2024 Series H Indenture*" means this 2024 Series H Indenture.

"*2024 Series H Risk Share Loans Agreements*" means, collectively, those certain Risk Share Loans Agreements dated as of December 1, 2024, entered into between the Authority and the Borrowers pursuant to which the Authority has made the 2024 Series H Risk Share Loans.

"*2024 Series H Loans Documents*" means all of the documents evidencing the Loans made by the Authority to the Borrowers which secure the Bonds.

"*2024 Series H Risk Share Loans*" means the 2024 Series H Risk Share Loans made by the Authority to the Borrowers under the provisions of the HUD Risk Sharing Act and includes any instrument evidencing an ownership interest in or security for such 2024 Series H Risk Share Loans and any related documents with respect to the Financed Developments.

"*Underwriter*" means J.P. Morgan Securities LLC.

ARTICLE II

AUTHORIZATION OF 2024 SERIES H BONDS

Section 2.01. Principal Amount, Designation and Form. Pursuant to the provisions of the General Indenture and, specifically, Section 2.09 thereof, two Series of Bonds are hereby authorized (i) in the aggregate principal amount of $100,585,000 which shall be designated as "Multifamily Revenue Bonds, 2024 Series H-1" and (ii) in the aggregate principal amount of $1,030,000 which shall be designated as "Multifamily Revenue Bonds, 2024 Series H-2". The 2024 Series H Bonds will be issued only as fully registered bonds.

Section 2.02. Purposes.

(a) The 2024 Series H 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 2024 Series H Indenture.

(b) The State shall not be liable on the 2024 Series H Bonds, and the 2024 Series H Bonds shall not be a debt of the State. Section 26.1 of the Act shall not apply to the 2024 Series H Bonds. The 2024 Series H Bonds are not Subordinate Bonds.

(c) The 2024 Series H Bonds are being issued (i) to currently refund the Prior Bonds, which funded the 2024 Series H Risk Share Loans to the Borrowers and enabled the Borrowers to fund the acquisition, construction, renovation, rehabilitation and equipping of the Financed Developments and (ii) to pay certain costs of issuance.

Section 2.03. Dates, Maturities and Interest Rates of 2024 Series H Bonds. The 2024 Series H Bonds shall be dated the date of their delivery (December 19, 2024) and shall mature on the applicable date (each, as applicable, the "Maturity Date") and in the applicable principal amount and shall bear interest at the applicable rate per annum as follows:

2024 Series H-1 Bonds

Maturity Date	Principal Amount	Interest Rate
January 1, 2042	$90,600,000	4.00%
July 1, 2062	$9,985,000	4.50%

2024 Series H-2 Bonds

Maturity Date	Principal Amount	Interest Rate
July 1, 2026	$1,030,000	4.480%

Section 2.04. Interest Payments. The 2024 Series H Bonds shall bear interest from the date of issuance and authentication thereof, payable on each Interest Payment Date. Interest on the 2024 Series H 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 H Bonds shall be issued in Authorized Denominations, not exceeding the aggregate principal amount of the 2024 Series H Bonds maturing on the applicable Maturity Date of the 2024 Series H Bonds. The 2024 Series H-1 Bonds shall be numbered from RH1-1 upward. The 2024 Series H-2 Bonds shall be numbered from RH2-1 upward.

At the direction of the Authority, a "CUSIP" identification number will be imprinted on the 2024 Series H Bonds, but such number shall not constitute a part of the contract evidenced by the 2024 Series H 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 H Bonds. In addition, failure on the part of the Authority to use such CUSIP number in any notice to Bondowners of the 2024 Series H 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 H 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 H Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities of such Series established in this 2024 Series H Indenture. Upon initial issuance, the ownership of each such 2024 Series H 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 H 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 2024 Series H Indenture and the Representation Letter, or (ii) it is in the best interest of the Authority that the beneficial owners of the 2024 Series H Bonds be able to obtain certificated 2024 Series H 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 2024 Series H 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 H 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 H Bond except as otherwise provided in this 2024 Series H 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 2024 Series H Indenture providing for the execution by the Authority, authentication by the Trustee and delivery to the beneficial owners of the 2024 Series H Bonds of certificates for their 2024 Series H 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.

(e) In accordance with this 2024 Series H Indenture, as long as any 2024 Series H 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 H 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 H 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 H Bonds or any nominee of such person except as provided in this

2024 Series H 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 H 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 H 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 H Bonds. The Authority and the Trustee may treat and consider the person in whose name each 2024 Series H Bond is registered in the registration books kept by the Trustee as the Bondowner and absolute owner of such 2024 Series H Bond of or interest with respect to such 2024 Series H Bond, for the purpose of registering transfers with respect to such 2024 Series H 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 H 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 H 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 H Bonds.

Notwithstanding provisions of this 2024 Series H Indenture to the contrary, so long as the 2024 Series H Bonds shall be registered in the name of a Securities Depository, notices of redemption shall be made in accordance with the procedures of that Securities Depository.

Section 2.07. Condition of Issuance. The Authority shall execute and deliver to the Trustee, and the Trustee shall authenticate, the 2024 Series H Bonds and deliver them to or for the account of the Underwriter or to such persons as the Underwriter specifies, in each case in the records of DTC, provided, however, that prior to delivery of the 2024 Series H Bonds to the Underwriter each of the following must be delivered to the Trustee:

(a) this 2024 Series H 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 H Bonds to or for the account of the Underwriter; and

(e) receipt from the Underwriter (or the representative thereof) of the 2024 Series H Bonds.

Section 2.08. Execution and Authentication of 2024 Series H Bonds. The Chairman or Vice Chairman is authorized to execute by manual or facsimile signature the 2024 Series H 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 H Bonds, and the Executive Director, the Deputy Executive Director or Chief Financial Officer or any person designated by the Members of the Authority is authorized and directed to attest manually the execution of the 2024 Series H Bonds and to cause the 2024 Series H 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 H 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; Transfers. Subject to Section 2.06, the principal and redemption price of, and interest on, 2024 Series H Bonds shall be as provided in the form of the 2024 Series H Bonds as attached to this 2024 Series H Indenture. Subject to Section 2.06 and this Section 2.09, the 2024 Series H Bonds shall be transferable at the corporate trust office of the Trustee.

Section 2.10. Form of 2024 Series H Bonds. The 2024 Series H Bonds shall be in substantially the form set forth in Exhibit A to this 2024 Series H Indenture.

Section 2.11. Delivery of 2024 Series H Bonds. Subject to the provisions of Section 2.06 and Section 2.08, the Chairman, the Vice-Chairman, the Executive Director, the Deputy Executive Director or Chief Financial Officer, or any of them, are authorized and directed to cause to be delivered fully executed and registered 2024 Series H Bonds to The Depository Trust Company upon payment of the purchase price of those 2024 Series H Bonds that are to be placed in book-entry form with The Depository Trust Company. The Chairman, the Vice Chairman, the Executive Director, the Chief Financial Officer, the Deputy Executive Director, the Secretary, the Treasurer and the Assistant 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 H Bonds as provided in the Indenture and this 2024 Series H 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 H 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 H-1 Bonds or any other funds which would result in making interest on the 2024 Series H-1 Bonds includable in gross income for federal income tax purposes by reason of causing the 2024 Series H-1 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 H-1 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 H-1 Bonds continue to bear interest (whether or not they are Outstanding) and shall also apply after the 2024 Series H-1 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 H-1 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 H-1 Bonds, including amounts held in the Reserve Fund that are allocated to the 2024 Series H-1 Bonds, and its other funds established by the General Indenture and this 2024 Series H Indenture and allocated to the 2024 Series H-1 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 H-1 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 2024 Series H-1 Rebate Account of the Rebate Fund established pursuant to the General Indenture and this 2024 Series H Indenture for the 2024 Series H-1 Bonds and shall be rebated to the United States of America in the amounts and at the times required. The amount held in the 2024 Series H Rebate Account from time to time shall not be available for the other purposes for which the funds and accounts established by this 2024 Series H Indenture may be applied. At the time of delivery of the 2024 Series H-1 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 H-1 Bonds as not includable in gross income of their owners under existing federal law.

(e) The Authority shall not refinance the Financed Developments except upon receiving an opinion of nationally recognized bond counsel selected by it that the refinancing shall not cause interest on the 2024 Series H-1 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 H Bonds, (ii) execute and deliver this 2024 Series H Indenture, (iii) assign its interest in the 2024 Series H Loans 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 H Bonds) in accordance with the terms and provisions of the General Indenture and this 2024 Series H Indenture.

(b) All actions on the part of the Authority for the issuance, sale and delivery of the 2024 Series H Bonds and for the execution and delivery of this 2024 Series H Indenture and the 2024 Series H Loans Documents and the endorsement of the mortgage note have been or will be taken duly and effectively.

(c) The 2024 Series H 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 H BONDS

Section 3.01. Redemption. The 2024 Series H 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. The 2024 Series H-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.

Section 3.03. Sinking Fund Redemption. (a) The 2024 Series H-1 Term Bonds maturing on January 1, 2042 are subject to mandatory sinking fund redemption on July 1 and January 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 H Bonds so redeemed, plus accrued interest to the date of redemption, without premium:

Redemption Date	Sinking Fund Installment ($)	Redemption Date	Sinking Fund Requirement ($)
7/1/26	510,000	7/1/34	785,000
1/1/27	585,000	1/1/35	805,000
7/1/27	595,000	7/1/35	815,000
1/1/28	605,000	1/1/36	835,000
7/1/28	620,000	7/1/36	850,000
1/1/29	635,000	1/1/37	865,000
7/1/29	645,000	7/1/37	880,000
1/1/30	660,000	1/1/38	900,000
7/1/30	675,000	7/1/38	920,000
1/1/31	685,000	1/1/39	935,000
7/1/31	695,000	7/1/39	965,000
1/1/32	715,000	1/1/40	975,000
7/1/32	725,000	7/1/40	995,000
1/1/33	740,000	1/1/41	1,015,000
7/1/33	755,000	7/1/41	52,500,000
1/1/34	770,000	1/1/42*	14,945,000

* Maturity.

The 2024 Series H-1 Term Bonds maturing on July 1, 2062 are subject to mandatory sinking fund redemption on July 1 and January 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 H Bonds so redeemed, plus accrued interest to the date of redemption, without premium:

Redemption Date	Sinking Fund Installment ($)	Redemption Date	Sinking Fund Requirement ($)
7/1/42	145,000	1/1/53	235,000
1/1/43	150,000	7/1/53	240,000
7/1/43	155,000	1/1/54	245,000
1/1/44	155,000	7/1/54	250,000
7/1/44	160,000	1/1/55	255,000
1/1/45	160,000	7/1/55	260,000
7/1/45	165,000	1/1/56	270,000
1/1/46	170,000	7/1/56	275,000
7/1/46	175,000	1/1/57	275,000
1/1/47	175,000	7/1/57	290,000
7/1/47	185,000	1/1/58	295,000
1/1/48	190,000	7/1/58	295,000
7/1/48	195,000	1/1/59	305,000
1/1/49	195,000	7/1/59	315,000
7/1/49	200,000	1/1/60	320,000
1/1/50	205,000	7/1/60	330,000
7/1/50	210,000	1/1/61	335,000
1/1/51	215,000	7/1/61	340,000
7/1/51	220,000	1/1/62	350,000
1/1/52	220,000	7/1/62*	635,000
7/1/52	225,000		

* Maturity.

The 2024 Series H-2 Term Bonds maturing on July 1, 2026 are subject to mandatory sinking fund redemption on July 1 and January 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 H Bonds so redeemed, plus accrued interest to the date of redemption, without premium:

Redemption Date	Sinking Fund Installment ($)
7/1/25	415,000
1/1/26	560,000
7/1/26*	55,000

* Maturity.

Upon any purchase or redemption of the applicable 2024 Series H Bonds for which sinking fund installments have been established other than by application of sinking fund installments to redeem 2024 Series H Bonds, an amount equal to the principal amount of the applicable

2024 Series H Bonds so purchased or redeemed will be credited toward the required sinking fund installments for such 2024 Series H Bonds in the same ratio as the principal amount of all such 2024 Series H Bonds so purchased or redeemed bears to the total amount of all such sinking fund installments to be so credited, taking into account authorized denominations, unless the Authority directs that the credit be applied toward a part or all of any one or more such sinking fund installments.

Section 3.04. Special Redemptions. The 2024 Series H-1 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 the times set forth below, 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) (i) On any date with respect to Loan Prepayments and Recovery Payments relating to the 2024 Series H Risk Share Loans and (ii) on any date after July 1, 2025 with respect to Loan Prepayments and Recovery Payments relating to all other 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 Loans 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 H Bonds are less than the Outstanding principal amount of the Bonds that financed the portion of the Loan with respect to which that Loan Prepayment or Recovery Payment was received; provided, however, that redemptions made under this subsection (b) may be made (i) at any time to the extent the Loan Prepayments or Recovery Payments relate to the 2024 Series H Risk Share Loans, or (ii) following July 1, 2025 to the extent the Loan Prepayments or Recovery Payments relate to any other Loans made by the Authority;

(c) At any time, 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; provided, however that redemptions under this subsection (d) may be made (i) at any time if such available funds relate directly to the 2024 Series H Risk Share Loans, or (ii) after July 1, 2025 if such available funds relate to any other Loans; and

(e) At any time, any moneys remaining in the Program Fund which are not applied to the financing of the 2024 Series H Risk Share Loans.

Section 3.05. Redemption Procedures. (a) Subject to the provisions of this 2024 Series H Indenture, including Section 3.06 hereof, notice of redemption of any 2024 Series H 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 General Indenture or this 2024 Series H 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 H Bond designated for redemption in whole or in part shall not affect the validity of the redemption of any other 2024 Series H Bond as to which notice was properly given.

(b) If less than all of the 2024 Series H Bonds are redeemed pursuant to Section 3.02 or Section 3.04, the amount of the 2024 Series H Bonds to be so redeemed shall be selected by the Authority and within such sole maturity by lot or in accordance with the procedures of the Securities Depository.

Section 3.06. 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 H 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 2024 Series H Indenture to the contrary, so long as the 2024 Series H Bonds shall be registered in the name of (i) Cede & Co., notices of redemption shall be made as set forth in Section 2.06 hereof or (ii) the name of a successor securities depository, notices of redemption shall be made in accordance with the procedures of the securities depository.

Section 3.07. Purchase in Lieu of Redemption. 2024 Series H Bonds called for redemption pursuant to the preceding Sections of this Article III 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 H Bonds called for redemption or for such lesser portion of such 2024 Series H Bonds as constitute Authorized Denominations. The Authority may direct the Trustee to purchase all or such lesser portion of the 2024 Series H 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 H 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 2024 Series H Account of the Program Fund, and within the 2024 Series H Account, the following Subaccounts:

(i) 2024 Series H Cost of Issuance Subaccount; and

(ii) 2024 Series H Risk Share Loans Subaccount.

(b) A 2024 Series H Debt Service Account of the Revenue Fund.

(c) A 2024 Series H Special Receipts Account of the Revenue Fund.

(d) A 2024 Series H Redemption Account of the Revenue Fund.

(e) A 2024 Series H Account of the Reserve Fund.

(f) A 2024 Series H 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 2024 Series H Risk Share Loans Subaccount of the 2024 Series H Account of the Program Fund. Amounts on deposit in the 2024 Series H Risk Share Loans Subaccount of the 2024 Series H Account of the Program Fund shall only be disbursed upon receipt of a requisition given by a Borrower to the Authority and thereafter approved by the Authority in accordance with the 2024 Series H Risk Share Loans Agreements and presented to the Trustee, provided that amounts deposited in the 2024 Series H Risk Share Loans Subaccount on the Closing Date of the 2024 Series H Bonds shall be used to currently refund Prior Bonds.

ARTICLE V

DISPOSITION OF 2024 SERIES H BOND PROCEEDS

Section 5.01. Application of Bond Proceeds and Other Moneys on Delivery Date. On the Delivery Date, the Proceeds of the 2024 Series H Bonds and other funds received from the Authority or other listed sources shall be deposited as follows:

(a) Proceeds of the 2024 Series H-1 Bonds in the amount of $98,701,341.95 shall be deposited in the 2024 Series H Risk Share Loans Subaccount of the 2024 Series H Account of the Program Fund and used to currently refund the Prior Bonds.

(b) Proceeds of the 2024 Series H-1 Bonds in the amount of $0.00 shall be deposited into the 2024 Series H Account of the Reserve Fund to satisfy the Reserve Requirement for the 2024 Series H Bonds.

(c) Proceeds of the 2024 Series H-2 Bonds in the amount of $1,027,502.25 shall be deposited into the 2024 Series H Cost of Issuance Subaccount of the 2024 Series H Account of the Program Fund to be used to pay costs of issuance.

(d) Proceeds of the 2024 Series H-2 Bonds in the amount of $2,497.75 shall be deposited into the 2024 Series H Risk Share Loans Subaccount of the 2024 Series H Account of the Program Fund and used to currently refund the Prior Bonds.

(e) Transferred Proceeds in the amount of $3,035,000.00 shall be deemed transferred to the Series 2024 H Account of the Reserve Fund.

(f) Transferred Proceeds in the amount of $1,260,000.00 shall be transferred to the Redemption Account of the Revenue Fund relating to each of the Prior Bonds in the amounts set forth in Exhibit D to redeem the Prior Bonds plus an amount equal to accrued interest related to the redemption price of such Prior Bonds shall be transferred from the applicable account in the Revenue Fund to pay such accrued interest.

Section 5.02. Satisfaction of the Reserve Requirement. A Reserve Requirement for the 2024 Series H Bonds is established as the maximum semiannual debt service on the 2024 Series H Bonds, plus one month's interest on the 2024 Series H Risk Share Loans. 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 H-1 Bonds that:

(a) with respect to the 2024 Series H Risk Share 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 H-1 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 2024 Series H Risk Share Loans financed in whole or in part with the proceeds of the 2024 Series H-1 Bonds as provided in the Tax Certificate.

Section 6.02. Continuing Disclosure Covenant. The Authority shall enter into (or cause the Borrowers to enter into as agreed to by the Underwriter) one or more Continuing Disclosure Undertakings with respect to the 2024 Series H 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 H Bonds.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01. Counterparts. This 2024 Series H 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 has financed the 2024 Series H Risk Share Loans.

Section 7.03. HUD Requirements.

(a) An Event of Default under the General Indenture shall not constitute a default under the 2024 Series H Risk Share Loans and the terms of the HUD documents related to such 2024 Series H Risk Share Loans.

(b) No amendment to this 2024 Series H Indenture shall conflict with any HUD Regulations or documents applicable to the 2024 Series H Risk Share Loans.

(c) To the extent that there is any conflict, inconsistency or ambiguity between or among this 2024 Series H 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. Borrowers Agreements.

(a) The Borrowers with respect to the 2024 Series H Risk Share Loans financed with proceeds of the 2024 Series H Bonds have covenanted 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 Financed Developments 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 H Bonds will remain excludable from gross income for federal income tax purposes.

(b) The Borrowers under the 2024 Series H Risk Share Loans financed with proceeds of the 2024 Series H Bonds have covenanted in a related regulatory agreement that all of the dwelling units in such Financed Developments must be rented or available for rental on a continuous basis during the Qualified Project Period. In order to satisfy this requirement, Financed Developments which contain 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 7.04 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 H Bonds will remain excludable from gross income for federal income tax purposes.

(c) WF Affordable Housing LLC (f/k/a Wells Fargo Affordable Housing Community Development Corporation), a North Carolina corporation, and its permitted successors and/or assigns shall have the same rights to receive notice of, and to cure, any default or event of default of Morningside Court Preservation, L.P. and Circle Park

Preservation, L.P. with respect to this 2024 Series H Indenture to the same extent and with the same effect as is set forth in Section 11 of the related Tax Regulatory 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 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 2024 Series H Risk Share Loans 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 a 2024 Series H Risk Share Loans financed with the proceeds of the 2024 Series H Bonds and endorsed to evidence Federal Insurance coverage, filing a claim for Federal Insurance with respect to such 2024 Series H Risk Share Loans.

(b) Whenever necessary in order to protect and enforce the interests and security of the owners of the 2024 Series H Bonds, the Authority shall commence foreclosure or pursue other appropriate remedies with respect to the 2024 Series H Risk Share Loans which is in default. 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 H Bonds, the Authority may bid for and purchase the Financed Developments securing the 2024 Series H Risk Share Loans at any foreclosure sale thereof or may otherwise take possession of or acquire such Financed Developments prior to the purchase or acquisition of the Financed Developments 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 H Bonds.

(c) The Authority may at any time sell, assign or otherwise dispose of the 2024 Series H Risk Share Loans (or the Financed Developments to which such 2024 Series H Risk Share Loans relate), and such 2024 Series H Risk Share Loans (or Financed Developments to which such 2024 Series H Risk Share Loans relate) shall be released free and clear of the lien of the General Indenture or this 2024 Series H Indenture in order to:

(i) realize the benefits of any Federal Insurance with respect to such 2024 Series H Risk Share Loans or Financed Developments;

(ii) provide funds to finance another 2024 Series H Risk Share Loans having substantially equivalent terms as the remainder of such 2024 Series H Risk Share Loans; or

(iii) provide funds for the redemption or purchase of a principal amount of 2024 Series H Bonds corresponding to the unpaid principal amount of such 2024 Series H Risk Share Loans.

In addition, the Authority may sell the Financed Developments 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 H Bonds as a result of such sale is less than that estimated to result if the Financed Developments were not so sold or (b) the risk of such a loss in the event that the Financed Developments are 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 2024 Series H Risk Share 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 2024 Series H Risk Share Loans or appoint a servicer for the 2024 Series H Risk Share 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 2024 Series H Risk Share Loans. The Authority or such servicer shall service the 2024 Series H Risk Share 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 2024 Series H Risk Share Loans. The Authority shall not without good cause release the obligations 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 2024 Series H Risk Share 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 2024 Series H Risk Share Loans 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 2024 Series H Risk Share Loans, including the prompt collection of 2024 Series H Risk Share Loans 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 2024 Series H 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 related 2024 Series H Risk Share Loans and to protect and enforce the rights and interests of Bondowners under this 2024 Series H 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 a 2024 Series H Risk Share Loans having the benefit of Federal Insurance, the Authority shall notify HUD of the tax-exempt status of the security for which such 2024 Series H Risk Share Loans 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 any 2024 Series H Risk Share Loans 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 2024 Series H Risk Share Loans financed by the 2024 Series H Bonds having the benefit of Federal Insurance and not subject to the terms of the 2024 Series H Indenture. The Authority will not amend this 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 2024 Series H Risk Share Loans, 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 H Bonds.

Section 7.09. Limitations on Liability. Notwithstanding any other provision of this 2024 Series H Indenture to the contrary:

(a) The obligations of the Authority with respect to the 2024 Series H 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 H Bonds or in this 2024 Series H Indenture shall be considered as assigning or pledging any funds or assets of the Authority other than the Trust Estate.

(c) The 2024 Series H 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 H 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 H Bonds.

(e) No failure of the Authority to comply with any term, condition, covenant or agreement in this 2024 Series H 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 H 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 2024 Series H 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 H 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 2024 Series H Indenture and the revenues, receipts and other amounts pledged by this 2024 Series H 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 2024 Series H 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 Issuer or Trustee will prepare and file with the Office of Comptroller of the State of Illinois a C-08, Notice of Payment of Bond Interest and/or Principal, in the form attached as Exhibit C, to the following address: Office of the Comptroller, Research and Fiscal Reporting – Bonded Indebtedness, 325 West Adams Street, Springfield, Illinois 62704-1871, or by e-mail to bondpayments@illinoiscomptroller.gov (or other such address as designated by the Authority or the Comptroller). The Trustee shall forward a copy of the C-08 to the Authority by e-mail to treasury@ihda.org.

Section 7.13. Bond Recycling. Notwithstanding any provisions of this 2024 Series H Indenture or the 2024 Series H 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 2024 Series H Bonds to a custodian or trustee (including the Trustee) selected by the Authority, in lieu of application to repay a like portion of the 2024 Series H Bonds, so long as the Authority simultaneously causes other funds to be applied to repay such portion of the 2024 Series H 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. The transfers between the parties described in the preceding provisions may 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.

[Signatures Appear on Following Page]

Approved as to Form:

____
Chief Financial Officer

____
General Counsel

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By:__________________________________
Executive Director

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:__________________________________

Title:________________________________

EXHIBIT A

FORM OF 2024 SERIES H BONDS

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

MULTIFAMILY REVENUE BOND,
2024 SERIES [H-1][H-2] (FIXED RATE)

BOND NO.: R[H1-1][H2-1]
DATE OF BOND: [ ], 2024
DATE OF MATURITY: [ ]

PRINCIPAL SUM: $[ ]
REGISTERED OWNER: CEDE & CO.
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, payable on each January 1 and July 1, with the first interest payment date being on July 1, 2025. Interest shall be payable by check or draft mailed 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 at least $1,000,000 in principal amount of the Outstanding 2024 Series [H-1][H-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.

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 2024 Series H Indenture (the "Series Indenture"; together with the General Indenture, the "Indentures"), dated as of December 1, 2024, between the Authority and the Trustee. This Bond is one of a Series of Bonds designated "Multifamily Revenue Bonds, 2024 Series [H-1][H-2]" (the "2024 Series [H-1][H-2] Bonds"), issued in the aggregate principal amount of $[ ] under the Series Indenture. 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 [H-1][H-2] Bonds; the nature, extent and manner of enforcement of those pledges; the rights and remedies of the owners of the 2024 Series [H-1][H-2] 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 [H-1][H-2] 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 [H-1][H-2] Bonds will be issued to provide funds to be applied, together with other available funds, for the purpose of (a) refunding Prior Bonds (as defined in the Series Indenture), (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 [H-1][H-2] Bonds.

This Bond is transferable in whole 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 [H-1][H-2] 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 [H-1][H-2] Bonds are issuable in denominations of $5,000 or any integral multiple of $5,000 in excess thereof. 2024 Series [H-1][H-2] 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 [H-1][H-2] 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 [H-1][H-2] Bonds shall be subject to redemption prior to maturity as set forth in the 2024 Series H Indenture. Notice of redemption shall be given as set forth in the Indentures.

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 [H-1][H-2] 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

2024 SERIES H FINANCED DEVELOPMENTS

Financed Developments	Mortgage Loans Amount ($) (as of December 12, 2024)
Circle Park	$81,778,047.98
Morningside Court	$26,001,197.19
Southern Hills/Orlando	$20,559,650.60

EXHIBIT C

FORM C-08

STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Notice of Payment of Bond Interest and/or Principal

To: Office of the Comptroller
Research and Fiscal Reporting
Bonded Indebtedness Section
325 West Adams Street
Springfield, Illinois 62704-1858

FAX: 217-782-8160

Email: bondpayments@illinoiscomptroller.gov

By: ______________________________

On Behalf of: ______________________________

To Paying Agent: ______________________________

For Principal in Amount of: ______________

For Interest in Amount of: ______________

For Premium in Amount of: ______________

Due On: ______________ Paid On: ______________

Bond Issue Title: ______________________________

Amount of Bond Principal Outstanding ______________

Note: Outstanding after Principal Payment

Comptrollers Use Only	
Rec'd	
Refer No.	
Posted To	
Posted By	

By: ______________

Title: ______________

Email Address: ______________

Telephone Number ______________

Date: ______________

Date Trustee Statement Received ______________

EXHIBIT D

REFUNDED PRIOR SERIES BONDS TO BE REFUNDED AND REFUNDING ALLOCATIONS

	2021 Series A	2021 Series B	2022 Series A	Total
1/1/2025 Sinking Fund	810,000.00	290,000.00	160,000.00	1,260,000.00
Total Bonds Currently Outstanding	84,100,000.00	26,610,000.00	21,140,000.00	131,850,000.00
Discount Refunded Bonds Par Amount	83,290,000.00	26,320,000.00	20,980,000.00	130,590,000.00
Refunding Price	75.583%	75.583%	75.583%	75.583%
Amount of Refunding (Not including 1/1/25)	62,953,080.70	19,893,445.60	15,857,313.40	98,703,839.70

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

TABLE OF CONTENTS

(This Table of Contents is not
part of this Indenture)

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".

"<u>Principal</u>" 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.

"<u>Proceeds</u>" 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.

"<u>Program</u>" means the multifamily program of the Authority financed by the Bonds.

"<u>Program Fund</u>" means the Fund of that name established pursuant to <u>Section 4.01</u> 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 **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 Find.

(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 **<u>Subordinate Bond Account(s)</u>**. 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 **<u>Use of Amounts in Redemption Account</u>**. 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 **<u>Reserve Fund</u>**. The Authority shall deposit amounts in the Reserve Fund as provided in the Series Indentures and as provided in <u>Sections 4.02(d) or 4.03</u> 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 <u>Section 4.09</u>, 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 m 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-one 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

December 19, 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 $100,585,000 aggregate principal amount of Multifamily Revenue Bonds, 2024 Series H-1 (the *"Series H-1 Bonds"*), and $1,030,000 aggregate principal amount of Multifamily Revenue Bonds, 2024 Series H-2 (the *"Series 2024 H-2 Bonds"* and together with the Series H-1 Bonds, 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 H Indenture, dated as of December 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 Series 2024 H-1 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 Series 2024 H-1 Bond for any period during which such Series 2024 H-1 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 2024 H-1 Bonds or a "related person", and (ii) interest on the Series 2024 H-1 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals. Interest on the Series 2024 H-1 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 Series 2024 H-1 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 Series 2024 H-1 Bonds from gross income under Section 103 of the Code.

6. Interest on the Series 2024 H-2 Bonds is included in gross income for federal income tax purposes.

7. 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, 6 and 7 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 Risk Share Loans, 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 2024H Indenture, for Series 2024H 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 2024H 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 2024H Bonds relating to such Series 2024H 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

$101,615,000
MULTIFAMILY REVENUE BONDS,
2024 Series H

CONTINUING DISCLOSURE UNDERTAKING OF THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY

In connection with the issuance of the Bonds referenced above (the *"Series 2024H 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 2024H Bonds dated December 11, 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 2024H Bonds.

(b) Monthly Loan Reports. On a monthly basis, commencing January 1, 2025, 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 Risk Share 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 2024H 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, 2025, 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 2024H 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 2024H-1 Bonds, or other material events affecting the tax status of the Series 2024H-1 Bonds;

(vii) modifications to rights of Owners of the Series 2024H 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 2024H 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.

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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.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Series 2024H 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 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 2024H 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 2024H 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 2024H 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]

December 19, 2024

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: ______________________________

Kristin L. Faust, Executive Director

Approved as to form:

____

Seth Runkle, Chief Financial Officer

____

Christina McClernon, General Counsel

APPENDIX H

FORM OF BORROWER CONTINUING DISCLOSURE UNDERTAKING

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

$101,615,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY REVENUE BONDS, 2024 SERIES H

BORROWER CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the *"Agreement"*) is executed and delivered by _______________ (the *"Borrower"*), in connection with the issuance of the Series 2024H Bonds referenced above (the *"Series 2024H 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 2024H Bonds dated December 11, 2024 (the *"Official Statement"*).

BACKGROUND

1. The Series 2024H Bonds are being issued to provide moneys to (i) redeem the Authority's Multifamily Revenue Bonds, Series 2021A, Multifamily Revenue Bonds, Series 2021B and Multifamily Revenue Bonds, Series 2022A, a portion of the proceeds of such bonds were used to fund a loan to the Borrower to finance the rehabilitation, construction, and equipping of ____ units in the development known as ________________ (the *"Financed Development"*) and (ii) make certain deposits to the funds and accounts specified in the Series 2024H Indenture.

2. In order to allow the Participating Underwriters (as defined in Rule 15c2-12 defined below) of the Series 2024H 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 2024H Bonds.

3. This Agreement is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

SERIES 2024H BORROWER COVENANTS AND AGREEMENTS

Section 1. Definitions.

(a) *"Annual Financial Information"* means the financial information or operating data of the Borrower relating to the [Series 2021A Risk Share Loan] [Series 2021B Risk Share Loan] [Series 2022A Risk Share Loan], delivered at least annually pursuant to Sections 2(a) and 2(b) hereof, of the type set forth under the captions "PLAN OF REFUNDING – The Risk Share Loans" and "PLAN OF REFUNDING – The Series 2024H Financed Developments" 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 2024H 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 2024H 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 J.P. Morgan Securities 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 2024H 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 2024H 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 2024H 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 2024H 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 2024H Bonds. The owner or beneficial owner of any Series 2024H

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 2024H Bonds; *provided,* that, any owner or beneficial owner of Series 2024H 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 2024H 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 2024H Bonds and shall extend to the earliest of (i) the date all principal and interest on the Series 2024H 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 2024H 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 2024H 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. The Authority agrees to notify the Borrower of any such termination events of which it is aware.

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 2024H 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 2024H Bonds, and shall create no rights in any other person or entity.

Date: December 19, 2024.

[BORROWER]

By: ____
Name: ____________________________________
Title: _____________________________________

AGREED to with regard to the Authority's duties under Sections 2(b), 3, 6, and 7:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: ______________________________________
Kristin L. Faust, Executive Director

ILLINOIS HOUSING DEVELOPMENT AUTHORITY • MULTIFAMILY REVENUE BONDS, 2024 SERIES H-1 (NON-AMT) AND 2024 SERIES H-2 (FEDERALLY TAXABLE)

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