

In the opinion of Ice Miller LLP, Bond Counsel to the Authority, under existing federal statutes, decisions, regulations and rulings, interest on the below-defined Series 2025G Bonds (the “Series 2025GBonds”) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Such excludability is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). The interest on the Series 2025G Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, interest on the Series 2025G Bonds may be taken into account for the purpose of computing the alternative minimum tax on corporations. In the opinion of Ice Miller LLP, as Bond Counsel, interest on the Series 2025H Bonds (the “Series 2025H Bonds” and collectively with the Series 2025G Bonds, the “Series 2025G/H Bonds”) is included in gross income for federal income tax purposes. In addition, Bond Counsel is also of the opinion that under the Illinois Housing Development Act, in its present form, the Series 2025G/H Bonds and all income from the Series 2025G/H Bonds is free from all taxation of the State of Illinois or its political subdivisions except for estate, transfer and inheritance taxes. For a more complete description, see “TAX MATTERS” herein.



\$200,000,000
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
REVENUE BONDS
\$130,000,000 2025 SERIES G (NON-AMT) (SOCIAL BONDS)
\$70,000,000 2025 SERIES H (TAXABLE) (SOCIAL BONDS)

Purpose:

Proceeds of the Illinois Housing Development Authority (the “Authority”) Revenue Bonds, 2025 Series G (the “Series 2025G Bonds”), and Revenue Bonds, 2025 Series H (the “Series 2025H Bonds” and with the Series 2025G Bonds, the “Series 2025G/H Bonds”), together with other funds of the Authority, are expected to be used to: (a) finance qualifying mortgage loans through the purchase of, or reimbursement of the prior purchase of, Mortgage-Backed Securities (as defined herein) owned or held by the Authority in its Administrative Fund (as defined herein) or other Authority funds (or participation interests in such Mortgage-Backed Securities); (b) pay the costs of issuing the Series 2025 G/H Bonds, (c) pay accrued interest and capitalized interest on the Series 2025G/H Bonds, if required, (d) finance second-lien loans for down payments assistance or closing costs assistance that will not be subject to the lien and pledge of the General Indenture (as defined herein), (e) fund reserve funds, if required, (f) redeem and refund certain prior series of Bonds issued under the General Indenture or refunding other obligations of the Authority, (g) acquire, or reimburse the acquisition of Mortgage-Backed Securities which were used to refund certain prior obligations of the Authority, (h) finance servicing release premiums and payments to lenders, and/or (i) finance deemed termination payments on qualified hedges related to the Series 2025G/H Bonds. See information under the captions “PLAN OF FINANCE,” “SOURCES AND USES OF FUNDS” and “THE GENERAL INDENTURE PROGRAM.”

Social Bonds:

The Series 2025G/H Bonds have been designated as “Social Bonds.” See “DESIGNATION OF THE SERIES 2025G/H BONDS AS SOCIAL BONDS” herein.

Security:

The Series 2025G/H Bonds are special limited obligations of the Authority. Together with other Bonds (as defined herein) previously issued or to be issued under the General Indenture (as defined herein), the Series 2025G/H Bonds have a claim for payment solely from Pledged Property as described in the General Indenture, including Revenues derived from Mortgage Loans and Mortgage-Backed Securities and certain Funds and Accounts held by the Trustee (each as defined herein). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” The Series 2025G/H Bonds: (i) are not general obligations of the Authority; (ii) do not constitute a debt of, and are not guaranteed by, the State of Illinois or the United States or any agency or instrumentality thereof; and (iii) are not secured by a pledge of the full faith and credit of the State of Illinois or the United States or any agency or instrumentality thereof. Further, 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 certain bonds of the Authority because of insufficient moneys available for such payments, shall not apply to the Bonds (including the Series 2025G/H Bonds).

Dated/Delivery Date:

November 19, 2025

Due:

April 1 and October 1, as shown on the inside front cover

Interest Payment Dates:

April 1 and October 1, commencing April 1, 2026

Redemption:

The Series 2025G/H Bonds are subject to redemption, including redemption at par without premium, as described under the caption “THE SERIES 2025G/H BONDS – Redemption.”

Denominations:

The Series 2025G/H Bonds will be issued in denominations of \$5,000 and any integral multiple of \$5,000 thereof.

Book-Entry-Only System:

The Depository Trust Company, New York, New York (the “Securities Depository”). See “THE SERIES 2025G/H BONDS – Book-Entry-Only System.”

Trustee:

The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois

Bond Counsel:

Ice Miller LLP

Underwriters’ Counsel:

Chapman and Cutler LLP

The Series 2025G/H Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification without notice, and to the approval of legality by Ice Miller LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its General Counsel, Christina McClernon, Esq. and for the Underwriters by their counsel, Chapman and Cutler LLP. See information under the caption “LEGAL MATTERS.” It is expected that the Series 2025G/H Bonds will be available and delivered in book-entry-only form through DTC on or about November 19, 2025.

BofA Securities

J.P. Morgan

Morgan Stanley

Raymond James

RBC Capital Markets

Wells Fargo Securities

Bancroft Capital, LLC

Blaylock Van, LLC

Stern Brothers

MATURITY SCHEDULE

\$130,000,000 Revenue Bonds, 2025 Series G (Non-AMT)

\$100,000 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP[†] (45203M)</u>
10/1/2034	\$100,000	3.500%	100.000%	V81

\$3,360,000 4.150% Term Bonds due October 1, 2040 – Price 100.000%; CUSIP No. 45203MV99[†]
 \$33,350,000 6.500% Term Bonds due October 1, 2045 – Price 113.261%; CUSIP No. 45203MW23[†]
 \$48,650,000 4.950% Term Bonds due April 1, 2051 – Price 100.000%; CUSIP No. 45203MW31[†]
 \$44,540,000 6.250% PAC Term Bonds due April 1, 2056 – Price 113.974%; CUSIP No. 45203MW49[†]

\$70,000,000 Revenue Bonds, 2025 Series H (Taxable)

\$41,625,000 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP[†] (45203M)</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP[†] (45203M)</u>
10/1/2026	\$1,295,000	3.778%	100.000%	W56	10/1/2032	\$1,825,000	4.427%	100.000%	X97
4/1/2027	1,385,000	3.778	100.000	W64	4/1/2033	1,870,000	4.587	100.000	Y21
10/1/2027	1,435,000	3.778	100.000	W72	10/1/2033	1,920,000	4.637	100.000	Y39
4/1/2028	1,485,000	3.837	100.000	W80	4/1/2034	1,870,000	4.737	100.000	Y47
10/1/2028	1,515,000	3.837	100.000	W98	10/1/2034	2,020,000	4.817	100.000	Y54
4/1/2029	1,550,000	3.926	100.000	X22	4/1/2035	2,080,000	4.937	100.000	Y62
10/1/2029	1,585,000	3.946	100.000	X30	10/1/2035	2,135,000	4.987	100.000	Y70
4/1/2030	1,620,000	3.996	100.000	X48	4/1/2036	2,195,000	5.087	100.000	Y88
10/1/2030	1,655,000	4.046	100.000	X55	10/1/2036	2,260,000	5.137	100.000	Y96
4/1/2031	1,695,000	4.247	100.000	X63	4/1/2037	2,325,000	5.187	100.000	Z20
10/1/2031	1,735,000	4.307	100.000	X71	10/1/2037	2,390,000	5.217	100.000	Z38
4/1/2032	1,780,000	4.347	100.000	X89					

\$12,610,000 5.587% Term Bonds due April 1, 2040 – Price 100.000%; CUSIP No. 45203MZ46[†]
 \$15,765,000 6.250% PAC Term Bonds due April 1, 2056 – Price 106.370%; CUSIP No. 45203MZ53[†]

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. This CUSIP number has been assigned by an independent company not affiliated with the Authority and is included solely for the convenience of the registered owners of the applicable Series 2025G/H Bonds. The Authority and the Underwriters are not responsible for the selection or uses of the CUSIP number, and no representation is made as to the correctness by the Authority and the Underwriters of the Series 2025G/H Bonds or as included herein. The CUSIP number for a specific maturity and interest rate of a series of the Series 2025G/H Bonds is subject to being changed after the issuance of the Series 2025G/H Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities and interest rates of a series of the Series 2025G/H Bonds.

No person has been authorized by the Authority to give any information or to make any representations other than those 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 the Authority or the Underwriters. 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 2025G/H Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date as of which information is given in this Official Statement.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. The Authority has no duty, obligation or expectation to update any of the information contained in this Official Statement if actual results differ materially from those expressed in or implied by such forward-looking statements.

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**OFFICIAL STATEMENT
of the
ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

Relating to

\$200,000,000

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

CONSISTING OF

**\$130,000,000 REVENUE BONDS, 2025 SERIES G (NON-AMT) (SOCIAL BONDS)
\$70,000,000 REVENUE BONDS, 2025 SERIES H (TAXABLE) (SOCIAL BONDS)**

INTRODUCTION

This Official Statement (including the cover page and all appendices) is being furnished by the Illinois Housing Development Authority (the “Authority”) in order to furnish information in connection with its issuance of \$200,000,000 aggregate principal amount of Revenue Bonds, consisting of \$130,000,000 2025 Series G Bonds (the “Series 2025G Bonds”), and \$70,000,000 2025 Series H Bonds (the “Series 2025H Bonds” and collectively with the Series 2025G Bonds, the “Series 2025G/H Bonds”). The Series 2025G Bonds sometimes referred to herein collectively as the “Tax-Exempt Bonds”; and the Series 2025H Bonds are sometimes referred to herein collectively as the “Taxable Bonds.” Proceeds of the Series 2025G/H Bonds will be used as described under the caption “PLAN OF FINANCE.”

The Series 2025G/H Bonds are to be designated by the Authority as “Social Bonds” as described in “DESIGNATION OF THE SERIES 2025G/H BONDS AS SOCIAL BONDS” herein.

The Series 2025G/H Bonds are being issued by the Authority pursuant to the Illinois Housing Development Act, as amended (the “Act”), in furtherance of its single-family housing mortgage loan program, a resolution adopted by the Authority on October 17, 2025, a Revenue Bonds General Indenture dated as of March 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 Indenture, dated as of November 1, 2025, between the Authority and the Trustee (the “Series 2025G/H Indenture”; together with the General Indenture, the “Indenture”). Prior to the issuance of the Series 2025G/H Bonds, the Authority had issued \$5,635,550,562.00 of Bonds under the General Indenture. As of October 31, 2025, \$4,478,497,458.70 in principal amount was Outstanding. See APPENDIX B – “CERTAIN INFORMATION CONCERNING THE GENERAL INDENTURE PROGRAM.” The Authority may issue additional Bonds under the General Indenture pursuant to Series Indentures. See information under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds.” The Series 2025G/H Bonds and all other bonds subsequently issued under the General Indenture are referred to in this Official Statement as the “Bonds.” Only the Series 2025G/H Bonds are being offered pursuant to this Official Statement.

The Authority has been involved in the financing of low-and-moderate income housing in the State for more than 40 years. The Authority established the Program under the General Indenture (the “General Indenture Program”) to provide funds to purchase residential mortgage loans originated throughout the State of Illinois (the “State”) (or participation interests in such loans) (“Mortgage Loans”) and mortgage-backed securities that are backed by Mortgage Loans and guaranteed by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “FHLMC”) (or participation interests in such

securities) (“Mortgage-Backed Securities”), in each case in accordance with the requirements of State and federal law and the General Indenture. The Authority is authorized by the Act to have up to \$11,500,000,000 aggregate principal amount of bonds outstanding, excluding those issued to refund its outstanding bonds and notes. See “THE AUTHORITY – Powers and Duties.” For more information about the General Indenture Program, see information under the caption “THE GENERAL INDENTURE PROGRAM – General” and APPENDIX B – “CERTAIN INFORMATION CONCERNING THE GENERAL INDENTURE PROGRAM.”

On June 3, 2019, Fannie Mae and Freddie Mac (each an “Enterprise” and together, the “Enterprises”) began issuing common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Securities (“UMBS”). The UMBS issued by the Enterprises finance the same types of fixed-rate mortgages that back Fannie Mae Securities and FHLMC Securities and are guaranteed by either Fannie Mae or Freddie Mac depending upon which Enterprise issues the UMBS. As a first-level security, the UMBS are backed by fixed-rate mortgage loans purchased entirely by one of the Enterprises; thus, there is no commingling of collateral. The UMBS have characteristics similar to Fannie Mae Securities and FHLMC Securities and Freddie Mac has modified its security structure to more closely align with Fannie Mae Securities. The Enterprises may be required to consult with each other to ensure specific Enterprise programs or policies do not cause or have the potential to cause cash flows to investors of mortgage-backed securities to misalign. A portion of the proceeds of the Series 2025G/H Bonds will be used to acquire Mortgage-Backed Securities, which include UMBS. For purposes of this Official Statement, the term “Mortgage-Backed Securities” includes UMBS.

The Series 2025G/H Bonds are subject to redemption, including redemption at par without premium, as described under the caption “THE SERIES 2025G/H BONDS – Redemption.”

The Series 2025G/H Bonds are special limited obligations of the Authority. The Bonds, including the Series 2025G/H Bonds, are secured under the General Indenture by “Pledged Property,” including Revenues derived from the Mortgage Loans and Mortgage-Backed Securities and certain Funds and Accounts held by the Trustee. See APPENDIX B – “CERTAIN INFORMATION CONCERNING THE GENERAL INDENTURE PROGRAM,” APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE – Certain Definitions” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” below. The General Indenture provides that the details of Mortgage Loans or the Mortgage-Backed Securities eligible to be purchased with the proceeds of a Series of Bonds must conform to any Series Program Determinations (as defined herein) set forth in the related Series Indenture. Mortgage-Backed Securities and Mortgage Loans may include participation interests as described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Mortgage Loans and Mortgage-Backed Securities – Participation Agreements” below.

The Series 2025G/H Bonds: (i) are not general obligations of the Authority; (ii) do not constitute a debt of, and are not guaranteed by, the State of Illinois or the United States or any agency or instrumentality thereof; and (iii) are not secured by a pledge of the full faith and credit of the State of Illinois or the United States or any agency or instrumentality thereof. Further, Section 26.1 of the 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 certain bonds of the Authority because of insufficient moneys available for such payments, will not apply to the Bonds (including the Series 2025G/H Bonds).

The descriptions and summaries of various documents set forth in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each document. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE

GENERAL INDENTURE – Certain Definitions” for definitions of certain capitalized words and terms used in this Official Statement.

Prospective purchasers of only one series of Series 2025G/H Bonds should understand that the issuance and delivery of that Series is subject to the issuance and delivery of the other Series.

DESIGNATION OF THE SERIES 2025G/H BONDS AS SOCIAL BONDS

Overview

The Authority’s mission is to finance the creation and preservation of affordable housing in the State. Affordable housing is a fundamental component of strong communities and serves as the foundation of personal and economic well-being. Where a family lives determines access to schools, jobs, transportation, healthcare and more. For these reasons, expanding the availability and access to quality housing is one of the most essential actions that the Authority takes on behalf of Illinois families. Through the Authority’s homebuyer programs, the Authority’s purpose is to achieve the following objectives: (i) the provision of funds to finance, at affordable interest rates and/or other terms more favorable than those otherwise available, residential mortgage loans for low and moderate income persons and families; (ii) the provision of housing to alleviate the shortage of adequate housing in the State for persons and families that are residents of the State; and (iii) the effective participation by mortgage lenders in the Authority’s homebuyer programs.

The Authority’s homebuyer programs, down payment assistance programs, and pre-purchase homebuyer education and counseling requirements are discussed in detail in the Authority’s Impact Framework, which is attached hereto as APPENDIX H.

Social Bonds Designation

The Authority is designating the Series 2025G/H Bonds as Social Bonds based on the intended use of proceeds: to finance affordable housing through IHDA’s homebuyer programs and down payment assistance programs, in furtherance of the Authority’s mission. Specifically, the Series 2025G/H Bonds will finance Mortgage Loans generally made to first-time homebuyers of low and moderate income throughout the State. The Series 2025G/H Bond proceeds will be utilized to purchase Mortgage-Backed Securities backed by pools of such Mortgage Loans.

The Authority believes the intended use of proceeds of the Series 2025G/H Bonds and the manner of expenditure of such funds are consistent with the four core components described by the International Capital Market Association (“ICMA”) in its publication, Social Bond Principles. See “I. IHDA’S SINGLE FAMILY PROGRAM – Social Bonds” of the Authority’s Impact Framework, located on the Authority’s investor relations page, for a detailed discussion of the Single Family Program and alignment with the ICMA core components. The Authority also has determined that its homebuyer programs map to certain of the United Nations SDGs adopted September 25, 2015, as part of the United Nation’s 2030 Agenda for Sustainable Development. For a detailed discussion of the ICMA core components as mapped to the SDGs, see APPENDIX H – “ILLINOIS HOUSING DEVELOPMENT AUTHORITY IMPACT FRAMEWORK.”

Post-Issuance Reporting

The Authority expects to provide annual updates, as of the last day of each calendar year commencing with calendar year 2025, regarding the disbursement of the proceeds of the Series 2025G/H Bonds for the financing of Mortgage Loans or Mortgage-Backed Securities backed by pools of Mortgage

Loans. The Authority expects that such annual updates will consist of the information outlined in APPENDIX I – “FORM OF SOCIAL BONDS ANNUAL REPORT”; the specific form and content of such updates are in the absolute discretion of the Authority. The Authority will cease to update such information when the applicable lendable proceeds have been fully expended. While the Authority expects to post such annual updates as voluntary filings on the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”), this reporting is separate from the Authority’s obligations described under “CONTINUING DISCLOSURE.” Failure by the Authority to provide such updates is not a default or an event of default under the Indenture or the Continuing Disclosure Undertaking.

The term “Social Bonds” is neither defined in nor related to provisions in the Indenture. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Social Bonds is entitled to any additional security beyond that provided therefor in the Indenture. Holders of Social Bonds do not assume any specific risk with respect to any of the funded Mortgage Loans or Mortgage-Backed Securities by reason of the Series 2025G/H Bonds being designated as Social Bonds and such Series 2025G/H Bonds are secured on parity with all other Bonds issued and to be issued under the General Indenture.

THE SERIES 2025G/H BONDS

The Series 2025G/H Bonds

The Series 2025G/H Bonds will be dated the date of their delivery. The Series 2025G/H Bonds will bear interest from their dated date at the rate or rates set forth on the inside cover page of this Official Statement, payable semiannually on each April 1 and October 1, with the first interest payment date being April 1, 2026. The Series 2025G/H Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof.

The Series 2025G/H Bonds initially will be registered in the name of Cede & Co., as Owner and nominee of DTC, which will act as securities depository for the Series 2025G/H Bonds. Purchasers of the Series 2025G/H Bonds will not receive physical delivery of the bond certificates representing their beneficial ownership interests. See “THE SERIES 2025G/H BONDS – Book-Entry-Only System.”

Interest on the Series 2025G/H Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. As long as the Series 2025G/H Bonds are registered in the name of a nominee of DTC, the principal of, interest on and redemption premium, if any, will be paid pursuant to the book-entry procedures as described under “THE SERIES 2025G/H BONDS – Book-Entry-Only System.”

If at any time the book-entry procedures described under “THE SERIES 2025G/H BONDS – Book-Entry-Only System” do not apply to the Series 2025G/H Bonds and beneficial owners are delivered certificated Series 2025G/H Bonds pursuant to the Series 2025G/H Indenture, the principal of and redemption premium, if any, on the Series 2025G/H Bonds will be payable at the principal corporate trust office of the Trustee and interest due on the Series 2025G/H Bonds will be paid to the Owners by the Trustee by check (or, in the case of Owners of Series 2025G/H Bonds in a principal amount equal to or exceeding \$1 million upon request by wire transfer) to the person in whose name the Series 2025G/H Bond is registered as of the fifteenth day of the month preceding each Interest Payment Date.

Redemption

Under the conditions described below, the Series 2025G/H Bonds are subject to redemption prior to maturity. As described below, the Series 2025G/H Bonds are subject to redemption pursuant to optional redemption, mandatory sinking fund redemption or special redemption.

Optional Redemption

The Series 2025G Bonds are subject to redemption at the option of the Authority on any date on or after October 1, 2033, in whole or in part, from any moneys available for such purpose at a Redemption Price of 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption, without premium, except that the Series 2025G PAC Bonds shall be redeemed at the respective redemption price equal to the principal amount thereof plus a premium that maintains the same yield as the original purchase price thereof, plus accrued interest to the date of redemption.

The Series 2025H Bonds are subject to redemption at the option of the Authority on any date on or after October 1, 2033, in whole or in part, from any moneys available for such purpose at a Redemption Price of 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption, without premium, except that the Series 2025H PAC Bonds shall be redeemed at the respective redemption price equal to the principal amount thereof plus a premium that maintains the same yield as the original purchase price thereof, plus accrued interest to the date of redemption.

Sinking Fund Redemption for the Series 2025G Term Bonds

The Series 2025G Bonds that are Term Bonds maturing on October 1, 2040 are subject to mandatory redemption in part by lot, on April 1 and October 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2025G Term Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
April 1, 2040	495,000
October 1, 2040 [†]	2,865,000

[†] Maturity

The Series 2025G Bonds that are Term Bonds maturing on October 1, 2045 (the “*Series 2025G 2045 Term Bond*”) are subject to mandatory redemption in part by lot, on April 1 and October 1 at the times and in the amounts shown below, at a redemption price equal to 100% of the principal amount of such Series 2025G Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
April 1, 2041	2,940,000
October 1, 2041	3,020,000
April 1, 2042	3,105,000
October 1, 2042	3,190,000
April 1, 2043	3,280,000
October 1, 2043	3,370,000
April 1, 2044	3,465,000
October 1, 2044	3,560,000
April 1, 2045	3,660,000
October 1, 2045 [†]	3,760,000

[†] Maturity

The Series 2025G Bonds that are Term Bonds maturing on April 1, 2051 are subject to mandatory redemption in part by lot, on April 1 and October 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2025G Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
April 1, 2046	3,865,000
October 1, 2046	3,980,000
April 1, 2047	4,090,000
October 1, 2047	4,210,000
April 1, 2048	4,330,000
October 1, 2048	4,455,000
April 1, 2049	4,585,000
October 1, 2049	4,715,000
April 1, 2050	4,850,000
October 1, 2050	4,990,000
April 1, 2051 [†]	4,580,000

[†] Maturity

Sinking Fund Redemption for Series 2025G PAC Term Bonds

The Series 2025G Bonds that are PAC Term Bonds maturing on April 1, 2056 are subject to mandatory redemption in part by lot, on October 1 and April 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2025G PAC Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
October 1, 2051	3,660,000
April 1, 2052	4,110,000
October 1, 2052	4,255,000
April 1, 2053	4,410,000
October 1, 2053	4,565,000
April 1, 2054	4,725,000
October 1, 2054	4,895,000
April 1, 2055	5,065,000
October 1, 2055	5,245,000
April 1, 2056 [†]	3,610,000

[†] Maturity

Sinking Fund Redemption for the Series 2025H Term Bonds

The Series 2025H Bonds that are Term Bonds maturing on April 1, 2040 are subject to mandatory redemption in part by lot, on April 1 and October 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2025H Term Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
April 1, 2038	2,460,000
October 1, 2038	2,540,000
April 1, 2039	2,620,000
October 1, 2039	2,700,000
April 1, 2040 [†]	2,290,000

[†] Maturity

Sinking Fund Redemption for Series 2025H PAC Term Bonds

The Series 2025H Bonds that are PAC Term Bonds maturing on April 1, 2056 are subject to mandatory redemption in part by lot, on April 1 and October 1 at the times and in the amounts shown below, at a Redemption Price equal to 100% of the principal amount of such Series 2025H PAC Bonds so redeemed plus accrued interest to the date of redemption, without premium:

<u>Redemption Date</u>	<u>Sinking Fund Requirement (\$)</u>
April 1, 2051	555,000
October 1, 2051	1,630,000
April 1, 2052	1,365,000
October 1, 2052	1,415,000
April 1, 2053	1,460,000
October 1, 2053	1,515,000
April 1, 2054	1,570,000
October 1, 2054	1,625,000
April 1, 2055	1,685,000
October 1, 2055	1,745,000
April 1, 2056 [†]	1,200,000

[†] Maturity

Special Redemption of the Series 2025G/H Bonds from Recoveries of Principal

Except for the Series 2025G 2045 Term Bond, the Series 2025G/H Bonds will be subject to redemption at the option of the Authority, in whole or in part, on any date, at a Redemption Price of 100% of the principal amount thereof, from Recoveries of Principal (as defined herein) received by or on behalf of the Authority and allocable to any Series of Bonds under the General Indenture; provided, however, that the Authority's right to so redeem Series 2025G PAC Bonds and Series 2025H PAC Bonds is limited as described under "*Series 2025G PAC Bonds*" and "*Series 2025H PAC Bonds*" below, respectively, and the Authority is required to redeem Series 2025G PAC Bonds and Series 2025H PAC Bonds from certain Recoveries of Principal as described under "*Series 2025G PAC Bonds*" and "*Series 2025H PAC Bonds*" below, respectively. The Series 2025G 2045 Term Bond shall be subject to such special redemption from Recoveries of Principal on or after October 1, 2033. Accrued interest, if any, to the redemption date will be paid upon redemption.

Series 2025G PAC Bonds

The Series 2025G PAC Bonds will be subject to redemption, at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date of redemption, as described below in an amount up to the cumulative amounts set forth in column (A) in the table below during the applicable redemption period beginning and ending on the dates as set forth in the table below. Such redemptions (i) will be made by the Authority at least once every six months commencing with the period ending April 1, 2026 from 70% of the Series 2025G/H Prepayments (as defined below) not previously applied to redeem Series 2025G PAC Bonds (or used as described in "*Use of Excess Series 2025G/H Prepayments*" below), and (ii) at the option of the Authority, may be made more frequently or from any of the sources referred to in "*Special Redemption of the Series 2025G/H Bonds from Recoveries of Principal*" above and in "*Code Required Redemptions*" and "*Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture*" below, but in each case only to the extent that redemptions described in the foregoing clauses (i) and (ii) in any period set forth in the following table do not cause the cumulative amounts of Series 2025G PAC Bonds redeemed to exceed the cumulative amounts for such period set forth in column (A) of the table below. If the amount available for a redemption described in clause (i) is less than \$100,000, the Authority may delay redemption of the Series 2025G PAC Bonds until the amount of 70% of the Series 2025G/H Prepayments available totals \$100,000 or more. The cumulative amounts in column (A) in the table below are intended to be equal to the cumulative amounts of 70% of the Series 2025G/H Prepayments that would be received by the end of the respective period if certain assumptions were realized, including the assumption that all of the prepayments on the Mortgage-Backed Securities

allocable to the Series 2025 G/H Bonds are received at a rate equal to 75% of the SIFMA Prepayment Model (as defined below). The term “Series 2025 G/H Prepayments” as of any date means Recoveries of Principal with respect to the Restricted Mortgage-Backed Securities (as defined below) or Unrestricted Mortgage-Backed Securities (as defined below) (other than proceeds of a sale or other disposition of such a Restricted Mortgage-Backed Security or Unrestricted Mortgage-Backed Security) received by the Trustee and not theretofore applied, or then required to be applied, pursuant to the General Indenture to eliminate a deficiency in the Debt Service Account. “Restricted Mortgage-Backed Securities” means Mortgage-Backed Securities purchased or deemed to have been purchased with proceeds of the Tax-Exempt Bonds or financed with a payment of principal or Recovery of Principal with respect to a Mortgage-Backed Security financed with the proceeds of the Tax-Exempt Bonds. “Unrestricted Restricted Mortgage Backed Securities” means Mortgage Backed Securities purchased or deemed to have been purchased with proceeds of the Taxable Bonds or financed with a payment of principal or Recovery of Principal with respect to a Mortgage Backed Security financed with the proceeds of the Taxable Bonds. See “PLAN OF FINANCE.”

In addition, notwithstanding the preceding paragraph, Series 2025G PAC Bonds may be redeemed as described below under “*Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture*” if no other Tax-Exempt Bonds are Outstanding.

		(A) 75% PSA Lower Band Cumulative Table
<u>Date</u>	<u>PAC</u>	
4/1/2026	\$ 40,000	\$ 40,000
10/1/2026	530,000	570,000
4/1/2027	1,115,000	1,685,000
10/1/2027	1,690,000	3,375,000
4/1/2028	2,265,000	5,640,000
10/1/2028	2,760,000	8,400,000
4/1/2029	2,825,000	11,225,000
10/1/2029	2,780,000	14,005,000
4/1/2030	2,735,000	16,740,000
10/1/2030	2,655,000	19,395,000
4/1/2031	2,575,000	21,970,000
10/1/2031	2,495,000	24,465,000
4/1/2032	2,420,000	26,885,000
10/1/2032	2,345,000	29,230,000
4/1/2033	2,275,000	31,505,000
10/1/2033	2,200,000	33,705,000
4/1/2034	2,060,000	35,765,000
10/1/2034	1,710,000	37,475,000
4/1/2035	1,415,000	38,890,000
10/1/2035	1,175,000	40,065,000
4/1/2036	970,000	41,035,000
10/1/2036	800,000	41,835,000
4/1/2037	660,000	42,495,000
10/1/2037	545,000	43,040,000
4/1/2038	450,000	43,490,000
10/1/2038	370,000	43,860,000
4/1/2039	310,000	44,170,000
10/1/2039	250,000	44,420,000
4/1/2040	120,000	44,540,000

Use of Excess Series 2025G/H Prepayments. During any period set forth in the table above, if Series 2025G PAC Bonds have been redeemed in a cumulative amount at least equal to the amounts set forth in column (A) of the above table for such period the Series 2025G/H Prepayments may then be applied to the redemption of Series 2025G/H Bonds other than the Series 2025G PAC Bonds, but limited as provided below, or the redemption of Bonds of other Series to the extent permitted by the General Indenture and the related Series Indenture, or may be transferred to the Program Fund to the extent permitted by the General Indenture.

Adjustment of Amounts. In the event of any redemption of the Series 2025G PAC Bonds as described above under “*Special Redemption of Tax-Exempt Bonds from Unexpended Proceeds of the Tax-Exempt Bonds*,” each of the cumulative amounts set forth in column (A) of the above table for the then-current and each future period shall be reduced by an amount determined by the Authority which shall equal (as nearly as practicable, in increments of \$5,000) the product of such cumulative amount and a fraction, the numerator of which equals the principal amount of the Series 2025G PAC Bonds so redeemed and the denominator of which equals the original principal amount of the Series 2025G PAC Bonds.

Weighted Average Life of Series 2025G PAC Bonds. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a bond until each dollar of principal of such bond will be repaid to the investor. The weighted average life of the Series 2025G PAC Bonds will be influenced by the rate at which the principal on the Restricted Mortgage-Backed Securities are paid (and may be influenced by the rate at which the principal of Mortgage-Backed Securities or Mortgage Loans financed with future Series of Bonds are paid). Principal payments on Mortgage-Backed Securities may be in the form of scheduled amortizations or prepayments including prepayments and liquidations due to default or other dispositions of Mortgage Loans underlying Mortgage-Backed Securities. Prepayments on Mortgage Loans are commonly measured by a prepayment standard or model.

The model used in the following discussion is the “SIFMA Prepayment Model.” The SIFMA Prepayment Model is based on an assumed rate of prepayment each month of the then unpaid principal balance of the Mortgage Loans. The SIFMA Prepayment Model assumes a prepayment rate of 0.2% in the first month, increasing by 0.2% in each succeeding month until the thirtieth month of the mortgages’ lives and then assumes a constant prepayment rate of six percent (6%) per annum of the unpaid principal balance for the remaining lives of the mortgages. The SIFMA Prepayment Model is sometimes referred to by market participants as the PSA Prepayment Model.

As used in this Official Statement, “0% PSA” assumes no prepayments on the principal of the Mortgage Loans acquired with the proceeds of the Series 2025G/H Bonds. “25% PSA” assumes the principal of Mortgage Loans will prepay at a rate one-quarter times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “50% PSA” assumes the principal of such Mortgage Loans will prepay at a rate one-half times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “75% PSA” assumes the principal of such Mortgage Loans will prepay at a rate three-quarters times as fast as prepayment rates for 100% of the SIFMA Prepayment Model. “100% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to the prepayment rates for 100% of the SIFMA Prepayment Model. “150% PSA” assumes the principal of the Mortgage Loans will prepay at a rate one and one-half times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “200% PSA” assumes the principal of such Mortgage Loans will prepay at a rate twice as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “300% PSA” assumes the principal of such Mortgage Loans will prepay at a rate three times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “400% PSA” assumes the principal of such Mortgage Loans will prepay at a rate four times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “500% PSA” assumes the principal of such Mortgage Loans will prepay at a rate five times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model.

There is no assurance, however, that prepayment of the principal of such Mortgage Loans will conform to any level of the SIFMA Prepayment Model. The rate of principal payments of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of mortgage interest rates and the rate at which homeowners sell their homes or default on their mortgage loans. In general, if prevailing interest rates fall significantly, such Mortgage Loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on such Mortgage Loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of Mortgage Loans include, but are not limited to, changes in mortgagors' housing needs, job transfers, unemployment and 'mortgagors' net equity in the mortgaged properties. In addition, as homeowners move or default on their Mortgage Loans, the houses are generally sold and the Mortgage Loans prepaid, although under certain circumstances the Mortgage Loans may be assumed by a new buyer. Because of the foregoing and since the rate of prepayment of principal of such Mortgage-Backed Securities will depend on the rate of repayment (including prepayments) of the Mortgage Loans, the actual maturity of any Series 2025G/H Bond is likely to occur earlier, and could occur significantly earlier than, its stated maturity.

The figures in the following table utilize the General Indenture Program assumptions as described under the heading "ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES" and various additional assumptions, including, but not limited to (1) all Restricted Mortgage-Backed Securities and Unrestricted Mortgage-Backed Securities are purchased at the times currently anticipated, (2) Series 2025G/H Prepayments on such Mortgage-Backed Securities are applied as described above under the captions "*Series 2025G PAC Bonds*" and "*Use of Excess Series 2025G/H Prepayments*"; (3) the Tax-Exempt Bonds are not redeemed pursuant to optional redemption; and (4) Revenues Available under the General Indenture are applied to Series 2025G PAC Bonds up to the applicable Series 2025G PAC Bonds amounts set forth in the preceding table at prepayment speeds over 500% PSA. The table assumes that Series 2025 G/H Prepayments are received at the various rates listed in the following table. There can be no assurance that such assumptions will in fact prove to be accurate.

<u>PSA Prepayment Speed (%)</u>	<u>Average Life in Years</u>	<u>Last Date Outstanding</u>
0	28.2	4/1/2056
25	15.5	4/1/2056
50	8.0	4/1/2041
75	6.0	4/1/2040
100	6.0	4/1/2040
200	6.0	4/1/2040
300	6.0	4/1/2040
400	6.0	4/1/2040
500	6.0	4/1/2040
600	5.9	4/1/2040
700	5.4	4/1/2040

Series 2025H PAC Bonds

The Series 2025H PAC Bonds will be subject to redemption, at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date of redemption, as described below in an amount up to the cumulative amounts set forth in column (A) in the table below during the applicable redemption period beginning and ending on the dates as set forth in the table below. Such redemptions (i) will be made by the Authority at least once every six months commencing with the period ending April 1, 2026 from 30% of the Series 2025G/H Prepayments (as defined below) not previously applied to redeem Series 2025H PAC Bonds (or used as described in "*Use of Excess Series 2025 G/H Prepayments*" below),

and (ii) at the option of the Authority, may be made more frequently or from any of the sources referred to in “*Special Redemption of the Series 2025G/H Bonds from Recoveries of Principal*” above and “*Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture*” below, but in each case only to the extent that redemptions described in the foregoing clauses (i) and (ii) in any period set forth in the following table do not cause the cumulative amounts of Series 2025H PAC Bonds redeemed to exceed the cumulative amounts for such period set forth in column (A) of the table below. If the amount available for a redemption described in clause (i) is less than \$100,000, the Authority may delay redemption of the Series 2025H PAC Bonds until the amount of 30% of the Series 2025G/H Prepayments available totals \$100,000 or more. The cumulative amounts in column (A) in the table below are intended to be equal to the cumulative amounts of 30% of the Series 2025G/H Prepayments that would be received by the end of the respective period if certain assumptions were realized, including the assumption that all of the prepayments on the Mortgage-Backed Securities allocable to the Taxable Bonds are received at a rate equal to 75% of the SIFMA Prepayment Model (as defined below).

In addition, notwithstanding the preceding paragraph, Series 2025H PAC Bonds may be redeemed as described below under “*Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture*” if no other Taxable Bonds are Outstanding.

<u>Date</u>	<u>PAC</u>	(A) 75% PSA Lower Band <u>Cumulative Table</u>
4/1/2026	\$ 15,000	\$ 15,000
10/1/2026	230,000	245,000
4/1/2027	480,000	725,000
10/1/2027	725,000	1,450,000
4/1/2028	970,000	2,420,000
10/1/2028	1,180,000	3,600,000
4/1/2029	1,210,000	4,810,000
10/1/2029	1,190,000	6,000,000
4/1/2030	1,170,000	7,170,000
10/1/2030	1,135,000	8,305,000
4/1/2031	1,105,000	9,410,000
10/1/2031	1,070,000	10,480,000
4/1/2032	1,040,000	11,520,000
10/1/2032	1,005,000	12,525,000
4/1/2033	975,000	13,500,000
10/1/2033	945,000	14,445,000
4/1/2034	885,000	15,330,000
10/1/2034	435,000	15,765,000

Use of Excess Series 2025G/H Prepayments. During any period set forth in the table above, if Series 2025H PAC Bonds have been redeemed in a cumulative amount at least equal to the amounts set forth in column (A) of the above table for such period, the Series 2025G/H Prepayments may then be applied to the redemption of Series 2025G/H Bonds other than the Series 2025H PAC Bonds, but limited as provided above, or the redemption of Bonds of other Series to the extent permitted by the General Indenture and the related Series Indenture, or may be transferred to the Program Fund to the extent permitted by the General Indenture.

Adjustment of Amounts. In the event of any redemption of the Series 2025H PAC Bonds as described above under “*Special Redemption of Tax-Exempt Bonds from Unexpended Proceeds of the Tax-Exempt Bonds*,” each of the cumulative amounts set forth in column (A) of the above table for the then-current and each future period shall be reduced by an amount determined by the Authority which shall equal (as nearly as practicable, in increments of \$5,000) the product of such cumulative amount and a fraction, the numerator of which equals the principal amount of the Series 2025H PAC Bonds so redeemed and the denominator of which equals the original principal amount of the Series 2025H PAC Bonds.

Weighted Average Life of Series 2025H PAC Bonds. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a bond until each dollar of principal of such bond will be repaid to the investor. The weighted average life of the Series 2025H PAC Bonds will be influenced by the rate at which the principal on the Unrestricted Mortgage-Backed Securities are paid (and may be influenced by the rate at which the principal of Mortgage-Backed Securities or Mortgage Loans financed with future Series of Bonds are paid). Principal payments on Mortgage-Backed Securities may be in the form of scheduled amortizations or prepayments including prepayments and liquidations due to default or other dispositions of Mortgage Loans underlying Mortgage-Backed Securities. Prepayments on Mortgage Loans are commonly measured by a prepayment standard or model.

The model used in the following discussion is the “SIFMA Prepayment Model.” The SIFMA Prepayment Model is based on an assumed rate of prepayment each month of the then unpaid principal balance of the Mortgage Loans. The SIFMA Prepayment Model assumes a prepayment rate of 0.2% in the first month, increasing by 0.2% in each succeeding month until the thirtieth month of the mortgages’ lives and then assumes a constant prepayment rate of six percent (6%) per annum of the unpaid principal balance for the remaining lives of the mortgages. The SIFMA Prepayment Model is sometimes referred to by market participants as the PSA Prepayment Model.

As used in this Official Statement, “0% PSA” assumes no prepayments on the principal of the Mortgage Loans acquired with the proceeds of the Series 2025G/H Bonds. “25% PSA” assumes the principal of Mortgage Loans will prepay at a rate one-quarter times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “50% PSA” assumes the principal of such Mortgage Loans will prepay at a rate one-half times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “75% PSA” assumes the principal of such Mortgage Loans will prepay at a rate three-quarters times as fast as the prepayment rates for 75% of the SIFMA Prepayment Model. “100% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to the prepayment rates for 100% of the SIFMA Prepayment Model. “150% PSA” assumes the principal of the Mortgage Loans will prepay at a rate one and one-half times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “200% PSA” assumes the principal of such Mortgage Loans will prepay at a rate twice as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “300% PSA” assumes the principal of such Mortgage Loans will prepay at a rate three times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “400% PSA” assumes the principal of such Mortgage Loans will prepay at a rate four times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model. “500% PSA” assumes the principal of such Mortgage Loans will prepay at a rate five times as fast as the prepayment rates for 100% of the SIFMA Prepayment Model.

There is no assurance, however, that prepayment of the principal of such Mortgage Loans will conform to any level of the SIFMA Prepayment Model. The rate of principal payments of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of mortgage interest rates and the rate at which homeowners sell their homes or default on their mortgage loans. In general, if prevailing interest rates fall significantly, such Mortgage Loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on such Mortgage Loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. Other factors

affecting prepayment of Mortgage Loans include, but are not limited to, changes in mortgagors' housing needs, job transfers, unemployment and 'mortgagors' net equity in the mortgaged properties. In addition, as homeowners move or default on their Mortgage Loans, the houses are generally sold and the Mortgage Loans prepaid, although under certain circumstances the Mortgage Loans may be assumed by a new buyer. Because of the foregoing and since the rate of prepayment of principal of such Mortgage-Backed Securities will depend on the rate of repayment (including prepayments) of the Mortgage Loans, the actual maturity of any Series 2025G/H Bond is likely to occur earlier, and could occur significantly earlier than, its stated maturity.

The figures in the following table utilize the General Indenture Program assumptions as described under the heading "ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES" and various additional assumptions, including, but not limited to (1) all Restricted Mortgage-Backed Securities and Unrestricted Mortgage-Backed Securities are purchased at the times currently anticipated; (2) Series 2025G/H Prepayments on such Mortgage-Backed Securities are applied as described above under the captions "*Series 2025H PAC Bonds*" and "*Use of Excess Series 2025G/H Prepayments*"; and (3) the Taxable Bonds are not redeemed pursuant to optional redemption. The table assumes that Series 2025G/H Prepayments are received at the various rates listed in the following table. There can be no assurance that such assumptions will in fact prove to be accurate.

<u>PSA Prepayment Speed (%)</u>	<u>Average Life in Years</u>	<u>Last Date Outstanding</u>
0	28.0	4/1/2056
25	14.4	4/1/2056
50	7.0	4/1/2041
75	5.0	10/1/2034
100	5.0	10/1/2034
200	5.0	10/1/2034
300	5.0	10/1/2034
400	5.0	10/1/2034
500	5.0	10/1/2034
600	5.0	10/1/2034
700	4.8	10/1/2034

Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture

Except for the Series 2025G 2045 Term Bond, the Series 2025G/H Bonds will be subject to redemption prior to maturity at the option of the Authority, or as required by law, in whole or in part, on any date, at a Redemption Price of 100% of the principal amount thereof, from Revenues (and amounts in excess of the Reserve Requirement transferred from the Reserve Fund to the Revenue Fund) that are available to be transferred to the Redemption Account pursuant to Section 403(e)(4) of the General Indenture; provided, however, that the Authority's right to so redeem Series 2025G PAC Bonds and Series 2025H PAC Bonds is limited as described under "*Series 2025G PAC Bonds*" and "*Series 2025H PAC Bonds*," respectively, above; and provided further that the Series 2025G PAC Bonds and the Series 2025H PAC Bonds may be redeemed pursuant to this paragraph, notwithstanding the limitations set forth under "*Series 2025G PAC Bonds*" and "*Series 2025H PAC Bonds*" above, if no other Series 2025G/H Bonds are outstanding or such redemption is required by the Internal Revenue Service. The Series 2025G 2045 Term Bond shall be subject to such special redemption from Revenues (and amounts in excess of the Reserve Requirement transferred from the Reserve Fund to the Revenue Fund) that are available to be

transferred to the Redemption Account pursuant to Section 403(e)(4) of the General Indenture on or after October 1, 2033. Accrued interest, if any, to the redemption date will be paid upon redemption.

In connection with any redemption from such Revenues, the Series 2025G/H Bonds will be selected for redemption as directed by the Authority provided that Revenues may be applied to the redemption of the Series 2025G and Series 2025H PAC Bonds only to the extent such redemptions do not exceed the cumulative amounts in the applicable PAC tables above, as of such date, unless no other Series 2025G/H Bonds remain outstanding or such redemption is required by the Internal Revenue Code of 1986, as amended (the “Code”).

Selection of Amounts and Maturities of Series 2025G/H Bonds for Redemption

The amounts and maturity dates of any Series 2025G/H Bonds to be redeemed pursuant to any redemption as provided above will be determined at the discretion of the Authority, as provided in a written direction to the Trustee (which shall be accompanied by a Compliance Certificate or Cash Flow Statement, as appropriate, giving effect to such redemption).

Special Redemption of Series 2025G/H Bonds from Unexpended Proceeds of the Series 2025G/H Bonds

The Tax-Exempt Bonds are subject to redemption prior to maturity, in whole or in part, at the option of the Authority, at any time upon notice as required by the General Indenture from proceeds of the Tax-Exempt Bonds that are not spent to (i) redeem and/or refund the obligations being refunded with the proceeds of the Tax-Exempt Bonds (the “Refunded Obligations”) within 90 days of issuance of the 2025 Series G/H Bonds and (ii) acquire Mortgage-Backed Securities in each case at a Redemption Price of 100% of the principal amount thereof, except for Series 2025G PAC Bonds which shall be redeemed at a Redemption Price equal to the principal amount thereof plus a premium that maintains the same yield as the original purchase price thereof, plus accrued interest to the date of redemption. The Taxable Bonds shall also be subject to redemption prior to maturity, in whole or in part, at the option of the Authority, at any time upon notice as required by the General Indenture from proceeds of the Taxable Bonds that are not spent to acquire Mortgage-Backed Securities at a Redemption Price of 100% of the principal amount thereof, except for Series 2025H PAC Bonds which shall be redeemed at a Redemption Price equal to the principal amount thereof plus a premium that maintains the same yield as the original purchase price thereof, plus accrued interest to the date of redemption. Accrued interest, if any, to the redemption date will be paid upon redemption. Any such redemption shall be allocated among the maturities of Tax-Exempt Bonds and Taxable Bonds, as applicable, with respect to such Tax-Exempt Bonds and/or Taxable Bonds being redeemed, as nearly as practicable, on a pro rata basis according to the respective principal amounts of each maturity then Outstanding. The Series 2025G PAC Bond and Series 2025H PAC Bond sinking fund amounts set forth above are to be reduced pro rata to the extent that amounts are applied to the redemption of the Series 2025G PAC Bonds or Series 2025H PAC Bonds from nonorigination proceeds as described above.

Code Required Redemptions

Applicable federal tax law requires redemption of the Tax-Exempt Bonds on or before certain dates and in certain amounts in order to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. To the extent required to comply with the Authority’s tax covenants and the Code:

- (i) The Authority will apply any unexpended proceeds of the Tax-Exempt Bonds required to be used to acquire Mortgage-Backed Securities which have not been so used within 42

months after the date of issuance of the Tax-Exempt Bonds to redeem Tax-Exempt Bonds as described under “*Special Redemption of Series 2025G/H Bonds from Unexpended Proceeds of the Series 2025G/H Bonds*” above.

(ii) The Authority will apply all regularly scheduled principal repayments (“Principal Repayments”) and Recoveries of Principal with respect to Restricted Mortgage-Backed Securities received more than ten years after the date of issuance and delivery of the Tax-Exempt Bonds (or obligations refunded by such Tax-Exempt Bonds or original obligations in a series of refundings) to the redemption of Tax-Exempt Bonds (as described under “*Special Redemption of the Series 2025G/H Bonds from Recoveries of Principal*” or “*Optional Redemption*” above) not later than the last day of the semiannual period beginning on the April 1 or October 1 next succeeding the date of receipt, to the extent not used on or prior to the last day of such period for the payment of the principal of, or Sinking Fund Requirements for, the Tax-Exempt Bonds provided that redemptions of the Series 2025G PAC Bonds shall be subject to the paragraph entitled *Series 2025G PAC Bonds*, above.

(iii) To the extent required by the Code, the Authority will fulfill its obligations pursuant to the paragraph above by periodically exercising its right to undertake a special redemption of the Tax-Exempt Bonds with, at a minimum and subject to a \$250,000 *de minimis* exception, the portion of the “Net Restricted Principal Receipts” (based on the following defined terms) that have been available for at least six months. The term “Restricted Principal Receipts” means the percentage of Principal Repayments and Recoveries of Principal on Mortgage Loans and Mortgage-Backed Securities made with or attributable to the proceeds of the Tax-Exempt Bonds, which will be approximately as shown in the following table for the periods indicated:

10-Year Rule Restricted Principal Receipts Table

<u>From Date</u>	<u>To Date</u>	<u>Approximate Percentage</u>
11/19/2025	12/18/2027	2%
12/19/2027	10/24/2028	4
10/25/2028	3/6/2029	6
3/7/2029	6/26/2029	7
6/27/2029	12/18/2029	9
12/19/2029	3/25/2030	12
3/26/2030	10/14/2030	16
10/15/2030	2/1/2031	19
2/2/2031	6/28/2031	22
6/29/2031	9/22/2031	24
9/23/2031	4/20/2032	27
4/21/2032	5/18/2032	29
5/19/2032	9/21/2032	32
9/22/2032	11/30/2032	34
12/1/2032	3/28/2033	38
3/29/2033	5/31/2033	39
6/1/2033	8/2/2033	41
8/3/2033	10/24/2033	42
10/25/2033	11/29/2033	44
11/30/2033	3/5/2034	45
3/6/2034	8/18/2034	47
11/19/2035	4/1/2056	100

“Net Restricted Principal Receipts” means, with respect to any redemption date, an amount equal to the difference between the Restricted Principal Receipts received but not applied, and the principal amount of the Tax-Exempt Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if none of those Bonds is scheduled to mature or is subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or sinking fund requirements of those Bonds).

Such percentages and dates derive from the Authority’s expected use of proceeds. No assurance can be given that the actual use of proceeds will be such as to produce such percentages, or that the Code will not be amended so as to no longer require such redemptions. The Authority also may redeem the Tax-Exempt Bonds in amounts greater than such percentages from available amounts in the Revenue Fund. Revenues not required to be applied to the redemption of Bonds may be otherwise applied as permitted by the General Indenture.

General Redemption Provisions

As long as the Series 2025G/H Bonds are held by Cede & Co., as nominee of DTC, notice of any redemption of Series 2025G/H Bonds will be mailed not less than 20 days and not more than 90 days prior to the date set for redemption. Such notices will be furnished to DTC. The Authority has been informed that DTC will in turn forward the information to the Participants (as defined below), which will then provide the appropriate notification to correspondents and Beneficial Owners (as defined below).

Failure of DTC or any Participant to provide notice to any Beneficial Owner will not affect the validity of the proceedings for the redemption of the applicable Series 2025G/H Bonds.

If the Series 2025G/H Bonds are not held by the nominee of DTC or the nominee of any successor securities depository, notice of any redemption will be mailed at least 20 days but no more than 90 days prior to the date established for the redemption of Series 2025G/H Bonds to the Bondowners of the Series 2025G/H Bonds, or portions thereof, to be redeemed at their addresses as they appear on the registry books of the Authority. Redemption notices shall be sent by first-class mail. Such notice will specify the redemption price, the redemption date, the place or places where amounts due upon redemption will be payable, the maturities and the distinctive numbers, if any, of the Series 2025G/H Bonds to be redeemed and, if less than all of the Series 2025G/H Bonds of a given maturity are to be redeemed, the portion of the principal amounts 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 shall not have been satisfied on or prior to the redemption date, such notice shall be of no force and effect and such Series 2025G/H Bonds shall not be redeemed. Once notice of redemption is sent in accordance with the General Indenture, it will be effective whether or not the Bondowners actually receive such notice. Failure to send notice of redemption, or any defect in such notice, with respect to any Series 2025G/H Bond will not affect the validity of the proceedings for the redemption of any other Series 2025G/H Bond.

The Series 2025G/H Bonds selected for redemption and redeemed in part from time to time shall be redeemed in one or more units of \$5,000 or any integral multiple of \$5,000 of principal of such series of Series 2025G/H Bonds. If, on the redemption date, (i) the conditions precedent, if any, to such redemption have been satisfied, (ii) in the case of any redemption other than pursuant to Sinking Fund Requirements, money for the redemption of all the Series 2025G/H Bonds or portions thereof to be redeemed, together with interest to the redemption date, is held by the Trustee so as to be available therefor on such date (or, in the case of interest, has been mailed to the Bondowners), and (iii) notice of redemption has been given as aforesaid, then the Series 2025G/H Bonds or portions thereof so called for redemption will become due and payable at the applicable redemption price, plus accrued interest, if any, and from and after the date fixed for redemption, interest on the Series 2025G/H Bonds or portions thereof so called for redemption will cease to accrue.

Pursuant to the Indenture, the Trustee, upon receipt of an Authority Request, may purchase Series 2025G/H Bonds from amounts on deposit in the Redemption Account at the most advantageous price obtainable with reasonable diligence, such price not to exceed (except to the extent permitted by the Indenture and applicable law) the redemption price plus accrued interest that would be payable on (i) the next redemption date, if such Series 2025G/H Bonds are then redeemable, or (ii) on the date such Series 2025G/H Bonds are first redeemable. Such Authority Request shall be accompanied by a Cash Flow Statement if such purchase is not consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

Any Series 2025G/H Bonds to be purchased or redeemed, other than pursuant to Sinking Fund Requirements, will be purchased or redeemed by the Trustee upon written direction of the Authority (which shall be accompanied by a Cash Flow Statement if such purchase or redemption is not consistent with the assumptions set forth in the most recently filed Cash Flow Statement).

So long as the Series 2025G/H Bonds are held by a nominee of DTC, DTC will determine the method of allocating the redemption among the Beneficial Owners of the maturity of such Series 2025G/H Bonds to be redeemed. If Series 2025G/H Bonds are not held by a nominee of DTC and if less than all of the Series 2025G/H Bonds of one series and maturity are called for redemption, the particular Series

2025G/H Bonds of such series and maturity to be redeemed will be selected by lot not later than 25 days prior to the date fixed for redemption, or such lesser number of days as shall be acceptable to the Trustee; provided that (1) the portion of any Series 2025G/H Bonds to be redeemed is in the principal amount of \$5,000 or an integral multiple thereof, and (2) in selecting Series 2025G/H Bonds for purchase upon redemption, each Series 2025G/H Bond will be treated as representing that number of Series 2025G/H Bonds that is obtained by dividing the principal amount of such Series 2025G/H Bond by \$5,000.

If less than all of the Term Bonds Outstanding of any one maturity of a series of Series 2025G/H Bonds is purchased for cancellation or called for redemption (other than in satisfaction of Sinking Fund Requirements), the principal amount of such Term Bonds that are so purchased or redeemed shall be credited, to the extent practicable, except as otherwise directed by the Authority, against all remaining Sinking Fund Requirements for such Term Bonds in the proportion which the then-remaining balance of each such Sinking Fund Requirement bears to the total of all such series of Series 2025G/H Bonds of such maturity then Outstanding.

Book-Entry-Only System

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources the Authority and the Underwriters believe to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Series 2025G/H Bonds. The Series 2025G/H 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 Series 2025G/H Bond certificate will be issued for each maturity of each series of the Series 2025G/H Bonds in the aggregate principal amount of such maturity, and such Series 2025G/H Bond certificate will be deposited with DTC.

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 participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by 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 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 Series 2025G/H Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025G/H Bonds on DTC's records. The ownership

interest of each actual purchaser of each Series 2025G/H Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2025G/H 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 the Series 2025G/H Bonds, except in the event that use of the book-entry system for the Series 2025G/H Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025G/H 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 2025G/H 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 2025G/H Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2025G/H 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 notice and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025G/H Bonds may wish to take certain steps to augment transfers to them of notices of significant events with respect to Series 2025G/H Bonds, such as redemption, tenders, defaults and proposed amendments to the Series 2025G/H Bond documents. For example, Beneficial Owners of the Series 2025G/H Bonds may wish to ascertain that the nominee holding the Series 2025G/H Bonds has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025G/H Bonds within a series and maturity 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 2025G/H Bonds unless authorized by a Direct Participant in accordance with DTC’s 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 2025G/H Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments (including redemption proceeds) on the Series 2025G/H 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 Trustee or the Authority, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest (including redemption proceeds) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the

responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025G/H 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, certificates for the affected Series 2025G/H Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the affected Series 2025G/H Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE TRUSTEE NOR THE AUTHORITY WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2025G/H BONDS UNDER OR THROUGH DTC OR ANY PARTICIPANT, OR ANY OTHER PERSON THAT IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDOWNER, 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 PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON ANY SERIES 2025G/H BOND, ANY NOTICE THAT IS REQUIRED TO BE GIVEN TO BONDOWNERS 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 2025G/H BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE SERIES 2025G/H BONDS.

Revision of Book-Entry-Only System

In the event that the Authority and the Trustee receive written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Series 2025G/H Bonds will no longer be restricted to being registered in the register of the Authority kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Bondowners transferring or exchanging Series 2025G/H Bonds will designate, in accordance with the Indenture.

ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES

General

The Authority made certain assumptions, including those set forth under this caption, in establishing the principal amounts of and the maturities and Sinking Fund Requirements with respect to the Series 2025G/H Bonds.

The Authority expects scheduled payments under the Mortgage-Backed Securities, together with Recoveries of Principal, if any, and other moneys and securities held under the General Indenture and the income thereon, to be sufficient to pay, when due, Expenses of the General Indenture Program and the debt service attributable to the Series 2025G/H Bonds. In forming this expectation, the Authority has not considered the issuance of additional Bonds or the application or investment of the proceeds thereof; however, a condition to issuing such additional Bonds is the filing of a Cash Flow Statement accompanied by a Rating Certificate. Because all Bonds issued under the General Indenture will rank equally and ratably with the Series 2025G/H Bonds with respect to the security afforded by the General Indenture, availability of money for repayment of the Series 2025G/H Bonds could be significantly affected by the issuance, application, and investment of proceeds of additional Bonds.

The Authority believes it is reasonable to make the assumptions set forth below, but can give no assurance that the actual receipt of moneys will correspond to estimated Revenues available to pay the debt service on and the Expenses incurred in connection with the Series 2025G/H Bonds.

Assumptions

In connection with the issuance of the Series 2025G/H Bonds, the Authority has made the following assumptions in determining the sufficiency of revenues available under the General Indenture for payment of debt service attributable to the Series 2025G/H Bonds:

(a) Following the issuance of the Series 2025G/H Bonds and the refunding of the Refunded Obligations, the Series 2025G/H Bonds are expected to finance Mortgage-Backed Securities and participation interests therein (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Mortgage Loans and Mortgage-Backed Securities” and “– Participation Agreements”). These securities are currently estimated to have a weighted average remaining term of approximately 359 months and a weighted average underlying mortgage rate of 6.79%. Actual figures may vary depending on the Mortgage-Backed Securities financed by the Series 2025G/H Bonds.

(b) Within 90 days of issuance, approximately \$66,637,493 of the proceeds of the Series 2025G Bonds will be used to redeem and/or refund the Refunded Obligations.

(c) Amounts on deposit in various Funds and Accounts under the General Indenture applicable to the Series 2025G/H Bonds will be invested at the minimum re-investment rate as required by the Rating Agency.

(d) All Expenses with respect to the Series 2025G/H Bonds, including the expenses of the Trustee, will be paid in full on a timely basis from investment income on funds held by the Trustee and a portion of interest paid on Mortgage-Backed Securities.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

All Series 2025G/H Bonds are special limited obligations of the Authority with a claim for payment solely from Pledged Property, as defined in the General Indenture. The Series 2025G/H Bonds: (i) are not general obligations of the Authority; (ii) do not constitute a debt of, and are not guaranteed by, the State of Illinois or the United States or any agency or instrumentality thereof; and (iii) are not secured by a pledge of the full faith and credit of the State of Illinois or the United States or any agency or instrumentality thereof.

All Series 2025G/H Bonds are secured by a pledge and assignment and grant of a lien on and security interest in the Pledged Property. Pledged Property includes all Revenues, as defined in the General Indenture, including money received by or on behalf of the Authority or the Trustee representing:

- (i) principal and interest payments on Mortgage Loans, including, without limitation, Recoveries of Principal;
- (ii) payments on the Mortgage-Backed Securities and the documents evidencing and securing the Mortgage-Backed Securities, including any guaranty of such Mortgage-Backed Securities;
- (iii) interest earnings on Funds and Accounts held by the Trustee (other than the Rebate Fund); and
- (iv) all Funds and Accounts held by the Trustee (other than the Rebate Fund).

Pledged Property does not include amounts required 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.

SECTION 26.1 OF THE 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 CERTAIN OF ITS BONDS BECAUSE OF INSUFFICIENT MONEYS AVAILABLE FOR SUCH PAYMENT, SHALL NOT APPLY TO THE BONDS (INCLUDING THE SERIES 2025G/H BONDS).

Mortgage Loans and Mortgage-Backed Securities

Pursuant to the General Indenture, the Authority is permitted to issue Bonds to finance Mortgage Loans or Mortgage-Backed Securities, in addition to the other purposes described in “Additional Bonds” below (which may include the financing of other types of loans or securities). Pools of Mortgage Loans underlying Mortgage-Backed Securities are not Pledged Property under the General Indenture. The terms of the Mortgage Loans, the Mortgage Loans underlying Mortgage-Backed Securities and the type of Mortgage-Backed Securities which may be purchased from the proceeds of a particular Series of Bonds must conform to any restrictions set forth in the respective Series Indenture relating to that Series of Bonds.

For information regarding the requirements of Mortgage Loans purchased by the Authority under the General Indenture Program and Mortgage Loans underlying Mortgage-Backed Securities purchased by the Authority under the General Indenture Program, see information under the captions “THE GENERAL INDENTURE PROGRAM – Mortgage Loans” and “– Mortgage-Backed Securities.”

Mortgage Loans

Each Mortgage Loan must be evidenced by a note and secured by a mortgage or equivalent security on an owner-occupied residence in the State or a participation interest in such a loan pursuant to a Participation Agreement. The Series Indenture for each Series of Bonds may include Series Program Determinations establishing additional requirements of the Mortgage Loans eligible to be purchased with proceeds of such Bonds.

Mortgage-Backed Securities

Each Mortgage-Backed Security must be a GNMA Security, a UMBS, or a participation interest in any of the foregoing pursuant to a Participation Agreement. The terms of the GNMA, Fannie Mae and FHLMC single-family mortgage-backed securities programs require that all Mortgage Loans: (i) if underlying a GNMA Security, be insured by FHA or guaranteed by the Department of Veteran's Affairs ("VA") or the United States Department of Agriculture Rural Development ("USDA/RD"), or guaranteed by HUD and administered by the Office of Public and Indian Housing ("PIH") or (ii) if underlying a UMBS, be insured by a private mortgage insurance policy (if in an amount in excess of certain loan-to-value ratios).

GNMA Securities

The Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development ("HUD"). GNMA's powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 et seq.).

GNMA is authorized to guarantee the timely payment of the principal of and interest on securities ("GNMA Securities" or "GNMA Certificates") that are based on and backed by trusts or pools composed of mortgages that are insured or guaranteed by (i) the FHA; (ii) the VA; (iii) the USDA/RD; or (iv) guaranteed by HUD under Section 184 of the Housing and Community Development Act of 1992, as amended and administered by the Office of Public and Indian Housing ("PIH"). The GNMA Certificates are issued by approved servicers. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates. The full faith and credit of the United States is pledged to the payment of all amounts required to be paid under each such guaranty. To the extent necessary, GNMA will borrow from the United States Treasury any amounts necessary to enable GNMA to honor its guaranty of the GNMA Securities. GNMA is required to honor its guaranty only if the Master Servicer is unable to make the full payment on any GNMA Certificate, when due. GNMA Certificates constitute GNMA Securities under the Indenture.

GNMA administers two mortgage-backed securities programs, the "Ginnie Mae I MBS Program" and the "Ginnie Mae II MBS Program." The principal differences between the two programs relate to the interest rate structure of the mortgage loans backing the GNMA Certificates, maximum maturities of such mortgage loans and the means by which principal and interest payments are made. These differences are not expected to affect adversely the availability of Revenues to pay principal of and interest on the Bonds.

See APPENDIX E for more information regarding GNMA and its mortgage-backed security program.

Fannie Mae Securities

The Federal National Mortgage Association ("Fannie Mae") is a federally-chartered, private, stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. § 1716 et seq.). Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency, an independent agency of the federal government, to the extent provided in the Housing and Economic Recovery Act of 2008 ("HERA"). The Authority cannot predict the long-term consequences of the conservatorship of this entity and the corresponding impact on the participants and the Program. The Secretary of HUD also exercises regulatory power over Fannie Mae. Among other things, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Fannie Mae operates a mortgage-backed securities program pursuant to which Fannie Mae issues UMBS backed by pools of mortgage loans (“Fannie Mae Certificates” or “Fannie Mae Securities”). Each Fannie Mae Certificate represents an undivided ownership interest in a specified pool of mortgage loans purchased by Fannie Mae. Generally, Fannie Mae Certificates are issued in book-entry form, representing a minimum of \$1,000 unpaid principal amount of mortgage loans. As of June 3, 2019, each Fannie Mae Certificate is a UMBS.

Fannie Mae guarantees to the registered holders of Fannie Mae Certificates that it will distribute amounts representing (i) scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by such Fannie Mae Certificates, whether or not received, and (ii) the full principal balance of any foreclosed or other finally liquidated mortgage loans, whether or not such principal balance is actually received. FANNIE MAE’S OBLIGATIONS UNDER THE FANNIE MAE CERTIFICATES, INCLUDING ANY UMBS ISSUED BY FANNIE MAE, ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES OR ANY OF ITS AGENCIES OR INSTRUMENTALITIES OTHER THAN FANNIE MAE. If Fannie Mae is unable to satisfy such obligation, distributions on the Fannie Mae Certificates would consist solely of payments and other recoveries on the underlying mortgage loans. Accordingly, such monthly distributions after a Fannie Mae default could be adversely affected by delinquent payments and defaults on such mortgage loans and could adversely affect payments on the Series 2025G/H Bonds. Fannie Mae Certificates constitute Fannie Mae Securities under the Indenture.

See the information in APPENDIX E for more information regarding Fannie Mae and its mortgage-backed security program and actions taken in 2008 by the federal government regarding its supervision and regulation of Fannie Mae.

FHLMC Securities

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act (Title III of the Emergency Home Finance Act of 1970, as amended (12 U.S.C. §§ 1451-1459)) (the “Freddie Mac Act”). Freddie Mac is also subject to the supervision and regulation of the Federal Housing Finance Authority to the extent provided in HERA. Furthermore, Freddie Mac has operated under conservatorship with the FHFA as Conservator since September 6, 2008. Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets. The Authority cannot predict the long-term consequences of the conservatorship of this entity and the corresponding impact on the participants and the Program.

Freddie Mac issues UMBS guaranteed by Freddie Mac (“Freddie Mac Certificates”) under its Guarantor Program (as defined in Appendix E hereto). Freddie Mac Certificates are issued only in book-entry form through the Federal Reserve Banks’ book-entry system. Each Freddie Mac Certificate represents an undivided interest in a pool of mortgages. Payments by borrowers on the mortgages in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Certificates representing interests in that pool. All of the mortgages are either conventional mortgages or mortgages guaranteed or insured by FHA, the Department of Veterans Affairs, the U.S. Department of Agriculture Rural Development, or HUD (“FHA/VA Mortgages”). Conventional mortgages are pooled separately from FHA/VA mortgages. Freddie Mac issues two types of Freddie Mac Certificates — Gold PCs and ARM PCs. Gold PCs are backed by (i) fixed-rate, level payment, fully amortizing mortgages, (ii) fixed-rate Initial Interest Mortgages, or (iii) Modified Mortgages with or without Step Rate Increases. ARM PCs are backed by adjustable rate mortgages. In connection with its single security initiative, Freddie Mac has ceased issuing new Gold PCs as of June 3, 2019. As of June 3, 2019, the Freddie Mac Certificates are UMBS.

See the information in APPENDIX E for more information regarding FHLMC and its mortgage-backed security program.

Participation Agreements

Under the General Indenture, a Mortgage-Backed Security or Mortgage Loan purchased with proceeds of Bonds may be a participation interest in a GNMA Security, Fannie Mae Security or FHLMC Security, or a participation interest in a loan described under “Mortgage Loans” above, financed in part with funds under the General Indenture and in part with funds under another bond resolution or indenture of the Authority. In such cases, the underlying security or loan, and the participation interest therein financed by such other bond resolution or indenture, is not Pledged Property under the General Indenture. Pursuant to a Participation Agreement, principal payments and prepayments on such a security or loan would be allocated between the General Indenture and such other bond resolution or indenture according to a specified ratio, generally expected to be in proportion to the respective amount financed, but interest payments may be allocated in different proportion, such that the effective interest rate, or yield, to the General Indenture on the principal amount of the participation financed with funds under the General Indenture may be higher or lower than the interest rate of the underlying security or loan. A portion of the Mortgage-Backed Securities to be purchased with amounts deposited to the 2025 Series G/H Program Account are expected to be such participation interests in GNMA Securities, Fannie Mae Securities, and FHLMC Securities, as described under the caption “PLAN OF FINANCE” below.

Series Program Determinations

The Series Indenture for each Series of Bonds may include Series Program Determinations establishing additional requirements of the Mortgage Loans eligible to be purchased with proceeds of such Bonds. Series Program Determinations may vary between Series of Bonds under the General Indenture.

Master Servicer

Acting pursuant to a Mortgage Servicing Agreement, dated as of December 27, 2018 (the “Master Servicing Agreement”), between U.S. Bank National Association (the “Master Servicer”) and the Authority, as amended from time to time, the Master Servicer will purchase Mortgage Loans from those qualified mortgage lending institutions participating in the General Indenture Program (each a “Mortgage Lender”). The Master Servicer will issue the GNMA Securities or acquire the Fannie Mae Securities and Freddie Mac Certificates with respect to such Mortgage Loans. The Master Servicer is required to be, and is, an FHA-, VA- and USDA/RD-approved mortgagee, an approved issuer of GNMA Securities, a Fannie Mae-approved seller and servicer of Fannie Mae Securities and a Freddie Mac-approved seller and servicer of Freddie Mac Certificates.

Servicing of Mortgage Loans

Mortgage Loans supporting or represented by the Mortgage-Backed Securities held and pledged under the General Indenture will be serviced by the Master Servicer in accordance with the Master Servicing Agreement and the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable.

The Master Servicer is required to remit to the Trustee all scheduled payments of principal, interest and any principal prepayments that are payable with respect to the applicable GNMA Security, Fannie Mae Security or FHLMC Security when any of the same shall be due and payable (excluding the payments on a GNMA Security, Fannie Mae Security or FHLMC Security received in the month such GNMA Security, Fannie Mae Security or FHLMC Security is purchased) and to meet all of its obligations under the GNMA Guide, the GNMA Guaranty Agreements, the Fannie Mae Guide and the Fannie Mae Pool Purchase

Contract, the FHLMC Guide and the FHLMC Pool Purchase Contract or contractual agreements entered into between the Master Servicer and GNMA, Fannie Mae or FHLMC.

Program Securities Pledged under the Indenture

As of October 31, 2025, the following Program Securities (comprised of GNMA Securities, FHLMC Securities, and Fannie Mae Securities) were pledged to secure Outstanding Bonds under the Indenture:

<u>Program Securities</u>	<u>Principal Outstanding Balance</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	\$ 868,792,329.35	19.22%
Federal National Mortgage Association	1,581,018,991.44	34.97%
Ginnie Mae I	17,878,683.35	0.40%
Ginnie Mae II	<u>2,052,683,698.28</u>	<u>45.41%</u>
TOTAL	\$4,520,373,702.42	100.00%

SEE APPENDIX B – “CERTAIN INFORMATION CONCERNING THE GENERAL INDENTURE PROGRAM.”

Reserve Fund

The General Indenture establishes a Reserve Fund to be used to pay debt service on Bonds to the extent amounts available in the Revenue Fund are insufficient. The General Indenture establishes a Reserve Requirement, as of any particular date of calculation, equal to the sum of all amounts established as Series Reserve Requirements in the respective Series Indentures for the Bonds Outstanding. The Series Reserve Requirement for the Series 2025G/H Bonds is zero dollars (\$0).

On each debt service payment date, after paying debt service on Bonds, any Hedge Payments payable from the Revenue Fund, various credit or liquidity fees and Expenses, amounts in the Revenue Fund are required to be transferred to the Reserve Fund until the amount on deposit in the Reserve Fund equals the Reserve Requirement.

Cash Flow Statements and Rating Certificates

General. The General Indenture allows the Authority to take various actions subject to filing with the Trustee a Cash Flow Statement (or Cash Flow Certificate) and a Rating Certificate. A Cash Flow Statement is a certificate of an Authorized Representative stating that each set of cash flow projections included in the certificate demonstrates that there will at all times be available sufficient amounts in the Funds and Accounts to pay timely all principal of and interest on the Bonds, and to make when due all Hedge Payments that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture pursuant the General Indenture), and to fund the Reserve Fund to the Reserve Fund Requirement, and to pay Expenses described in clause (i) of the definition thereof in the General Indenture, under the assumptions set forth in the Cash Flow Statement. A Rating Certificate is a Certificate stating that the Authority has been advised by each Rating Agency (including by means of published rating criteria) that the then Rating of the Bonds by the Rating Agency will not be reduced as a result of the actions to be taken by the Authority. A Cash Flow Statement must be filed with the Trustee in connection with the issuance of the Series 2025G/H Bonds.

A Cash Flow Statement may include a single set of cash flow projections or more than one set of cash flow projections, and each set of projections shall set forth the assumptions, which shall be consistent

with the Authority's reasonable expectations at the time such Cash Flow Statement is filed, as to actions to be taken pursuant to the Indenture and as to the characteristics and behavior of Pledged Property and of the Authority's payment obligations under the Indenture, upon which such projections are based. Amounts credited to the Special Program Fund (other than amounts restricted to the payment of debt service on the Bonds) shall not be taken into account when preparing a Cash Flow Statement.

A Cash Flow Certificate or a Cash Flow Statement, as appropriate, and a Rating Certificate are required prior to the Authority taking any of the following actions:

1. issuing any Series of Bonds;
2. making certain supplements or amendments to a Series Indenture including, without limitation, Series Program Determinations;
3. entering into any Hedge Agreement;
4. remarketing any Bonds in connection with a change in tender period except as required at the time of their issuance; or
5. causing amounts to be transferred from the Authority Program Accounts to the Authority.

In addition to the above requirements, prior to taking certain other actions, the General Indenture requires the Authority to file with the Trustee a Cash Flow Certificate or a Cash Flow Statement. A Cash Flow Certificate with respect to any action is a Certificate stating that the action is consistent with the assumptions set forth in the most recently filed Cash Flow Statement. The actions for which either a Cash Flow Certificate or a Cash Flow Statement must be filed are:

1. any purchase or redemption of Bonds (other than mandatory redemption pursuant to Sinking Fund Requirements, other mandatory redemptions as provided in a Series Indenture, certain other purchases of Bonds as provided in the General Indenture, and any purchase or redemption of Bonds that is consistent with the assumptions set forth in the most recently filed Cash Flow Statement);
2. withdrawals of amounts from the Revenue Fund to pay Expenses in excess of (or other than) those specified in a Series Indenture, or to a Series Program Account or Authority Program Account, or to the Authority free and clear of the pledge and lien of the Indenture;
3. any amendment or sale or other disposition of any Mortgage Loan not in default or Mortgage-Backed Securities not in default that would cause the aggregate principal amount of the Mortgage Loans and Mortgage-Backed Securities amended or sold or disposed of since filing of the last Cash Flow Statement to exceed five percent (5%) of the aggregate principal amount of all Mortgage Loans and Mortgage-Backed Securities;
4. any use of Recoveries of Principal with respect to Mortgage Loans or Mortgage-Backed Securities (other than Mortgage Loans or Mortgage-Backed Securities acquired solely with amounts in any Authority Program Account) for any use other than purchase or redemption of Bonds or payment of scheduled debt service;
5. any transfer of amounts from the Redemption Account to an Account of the Program Fund pursuant to the General Indenture;

6. any payment of Expenses described in clause (ii) of the definition thereof in the General Indenture; or
7. making any material change not consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

For information concerning assumptions made by the Authority in connection with its delivery of the Cash Flow Certificate for the issuance of the Series 2025G/H Bonds, see information under the caption “ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES.”

Additional Bonds

Under the General Indenture, the Authority may issue additional Bonds on parity with Outstanding Bonds for the purpose of financing Mortgage Loans, financing Mortgage-Backed Securities, making deposits in Funds and Accounts under the General Indenture, refunding Bonds or other Authority obligations, or any other lawful purposes of the Authority as specified in a Series Indenture. Additional Series of Bonds may be issued only upon filing a Cash Flow Certificate or a Cash Flow Statement, as appropriate, and a Rating Certificate with the Trustee. See “Cash Flow Statements and Rating Certificates” above.

PLAN OF FINANCE

The Authority expects to use proceeds of the Series 2025G/H Bonds, together with other funds of the Authority, to: (a) finance qualifying mortgage loans through the purchase of, or reimbursement of the prior purchase of, Mortgage-Backed Securities owned or held by the Authority in its Administrative Fund or other Authority funds (or participation interests in such Mortgage-Backed Securities); (b) pay the costs of issuing the Series 2025 G/H Bonds, (c) pay accrued interest and capitalized interest on the Series 2025G/H Bonds, if required, (d) finance second-lien loans for down payments assistance or closing costs assistance that will not be subject to the lien and pledge of the General Indenture, (e) fund reserve funds, if required, (f) redeem and refund certain prior series of Bonds issued under the General Indenture or refunding other obligations of the Authority, (g) acquire, or reimburse the acquisition of Mortgage-Backed Securities which were used to refund certain prior obligations of the Authority, (h) finance servicing release premiums and payments to lenders, and/or (i) finance deemed termination payments on qualified hedges related to the Series 2025G/H Bonds.

The Authority expects that approximately \$130,000,000 of the Mortgage-Backed Securities to be purchased with amounts deposited to the 2025 Series G/H Program Account will be participation interests in FHLMC Securities, Fannie Mae Securities and GNMA Securities pursuant to a Participation Agreement (as described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Mortgage Loans and Mortgage-Backed Securities – Participation Agreements”) providing for allocation of payments on such securities between Series of Bonds in the General Indenture and/or the Authority’s Homeowner Resolution (see “OTHER SINGLE-FAMILY PROGRAMS OF THE AUTHORITY” below), to be entered into by the Authority and The Bank of New York Mellon Trust Company, N.A., in its capacities as Trustee under the Indenture and trustee under the Homeowner Resolution.

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SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2025G/H Bonds are as follows, rounded to the nearest dollar:

Sources:

Principal Amount of Series 2025G Bonds	\$130,000,000.00
Premium on Series 2025G Bonds	10,646,563.10
Principal Amount of Series 2025H Bonds	70,000,000.00
Premium on Series 2025H Bonds	1,004,230.50
Total Sources	<u>\$211,650,793.60</u>

Uses:

Deposit into Tax-Exempt Bonds Subaccount of 2025 Series G/H Program Account to acquire Restricted Mortgage-Backed Securities (and participation interests in Restricted Mortgage-Backed Securities)	\$63,362,507.00
Deposit into Taxable Bonds Subaccount of 2025 Series G/H Program Account to acquire Unrestricted Mortgage-Backed Securities (and participation interests in Unrestricted Mortgage-Backed Securities)	70,000,000.00
Refunding of Refunded Obligations	66,637,493.00
Costs of Issuance and Other Acquisition Costs	11,650,793.60
Total Uses	<u>\$211,650,793.60</u>

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THE AUTHORITY

Powers and Duties

The Authority is a body politic and corporate of 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 not-for-profit 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 October 31, 2025, the Authority had debt outstanding in the amount of \$7,477,750,774.32, which consisted of general obligation debt, special limited obligation debt and conduit debt. The conduit debt, which is special limited obligation debt, accounts for \$2,185,222,394.30 of the total as of that same date.

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

King Harris

Luz Ramirez

Salvatore Tornatore

Sonia Berg

Office

Chairman – Chairman, Harris Holdings

Vice Chairman – President, LR Global Consulting

Treasurer – Principal, Tornatore Law Office

Secretary – Realtor, Ruhl & Ruhl Realtors

Daniel Hayes	Member – Senior Director of Structured Debt, New York Life Real Estate Investors
Brice Hutchcraft	Member – Market President, First State Bank (Monticello)
Claire Leopold	Member – Co-Owner/Managing Broker, Nester Realty Inc.
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 354 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, joined the Authority in November of 2019 and brings more than 30 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. Ms. Faust previously served as Chief Deputy Treasurer for the State of California and worked for Nehemiah Corporation of California. Earlier in her career, Executive Director Faust spent 15 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 the John F. Kennedy School of Government at Harvard University, where she obtained a Master’s 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 of 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.

SETH RUNKLE, Chief Financial Officer and Interim Chief Information Officer, became the Authority's Chief Financial Officer (CFO) in April 2024, bringing extensive experience in bank management and executive leadership; he became Interim Chief Information Officer in October 2025. 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. Mr. Runkle 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 the Authority's business department on all aspects of operations. Ms. McClernon joined the Authority in 2022 and previously served as its Associate Corporate & Compliance Counsel. Prior to joining the Authority, 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 GENERAL INDENTURE PROGRAM

The description of the General Indenture Program that follows reflects the current policies of the Authority and is subject to change, including in connection with the issuance of additional Bonds, which will be secured on a parity basis with the Series 2025G/H Bonds.

General

The purpose of the General Indenture Program is to provide funds to acquire Mortgage-Backed Securities with amounts available under the Series Program Accounts, which Mortgage-Backed Securities are backed by Mortgage Loans made to eligible borrowers (“Eligible Borrowers”) for owner-occupied, one-to four-unit residences (“Qualified Residences”). Under the General Indenture, the Authority may also purchase Mortgage Loans (which are not underlying Mortgage-Backed Securities) made to Eligible Borrowers for Qualified Residences in accordance with the requirements of State and federal law and the General Indenture, and may offer Eligible Borrowers down payment assistance or closing cost assistance.

Under the Authority’s current program, Eligible Borrowers may receive second-lien loans for such down payment assistance or closing cost assistance (“Assistance Loans”): (i) in the amount of \$10,000 with a term of 10 years, bearing interest at 0% per annum with equal monthly payments of principal to amortize the loan over its term; or (ii) in the amount of \$7,500 with a term of 5 years, bearing interest at 0% per annum with equal amounts of principal forgiven each month over its term; or (iii) in an amount of 4% of the purchase price, not to exceed \$6,000, with a term of 10 years, bearing interest at 0% per annum with equal amounts of principal forgiven each month over its term; or (iv) in an amount of 5% of the purchase price, not to exceed \$7,500 with a term of 30 years, unless repaid sooner in the event of a refinance or sale of the property, at which time the funds will be due bearing interest at 0% per annum. Any remaining balance of an Assistance Loan is due upon the refinancing of the borrower’s first-lien mortgage loan.

Mortgage-Backed Securities

Each Mortgage-Backed Security purchased by the Authority under the General Indenture must be a GNMA Security, a Fannie Mae Security or an FHLMC Security (or a participation interest in any of them pursuant to a Participation Agreement). Each Mortgage Loan underlying a Mortgage-Backed Security must meet the general conditions of the Authority’s General Indenture Program as well as all other conditions of GNMA, Fannie Mae or FHLMC, as the case may be, all as set forth in the Master Servicing Agreement, the Master Servicer Lender Guide and the GNMA Guide, the Fannie Mae Guide and the FHLMC Guide, as the case may be (the “Program Agreements”).

Under the Master Servicing Agreement, the Master Servicer determines the eligibility of Mortgage Loans prior to pooling them for the purpose of issuing a Mortgage-Backed Security for purchase by the Authority. Each Mortgage Loan that backs a GNMA Security must be FHA-insured or VA- or USDA/RD-guaranteed, and each Mortgage Loan that backs a Fannie Mae Security or an FHLMC Security must be insured by a private mortgage insurance policy (if in an amount in excess of certain loan-to-value ratios). Further, each Mortgage Loan that backs a Mortgage-Backed Security must (i) be made only to an Eligible Borrower for the purpose of providing financing for the purchase, or in certain circumstances set forth in a Series Indenture, the refinancing, of a Qualified Residence and (ii) meet the origination and loan-to-value standards set forth in the Program Agreements. The maximum loan-to-value ratio will be the FHA maximum with respect to the FHA-insured Mortgage Loans, the VA maximum with respect to VA-guaranteed Mortgage Loans, the USDA/RD maximum with respect to USDA/RD-guaranteed Mortgage Loans and the Fannie Mae and FHLMC maximums, as the case may be, with respect to conventional Mortgage Loans. Each Mortgage Loan underlying a Mortgage-Backed Security will provide for substantially level monthly payments of principal and interest on the first day of each month.

Program Eligibility

Under the Act, the Authority may acquire Mortgage-Backed Securities consisting of pools of Mortgage Loans secured by a lien on real property located within the State and improved by a residential structure, or unimproved if the Mortgage Loan proceeds are used for the erection of a residential structure. The Authority has adopted rules and regulations for Mortgage Loans governing, among other things, the types of residences, the eligibility requirements for borrowers, the mortgage lenders and the Mortgage Loans.

The General Indenture provides that the details of the Mortgage Loans to be purchased with the proceeds of a Series of Bonds or to be pooled into Mortgage-Backed Securities to be purchased with the proceeds of a Series of Bonds must conform to any Series Program Determinations set forth in the related Series Indenture.

The Authority will adjust the limitations on Eligible Borrower household gross income and acquisition costs from time to time in accordance with requirements of the Code. There is no assurance that any such adjustments will not reduce the maximum Eligible Borrower household gross income or the maximum acquisition cost applicable to the General Indenture Program.

Origination and Purchase of Mortgage-Backed Securities

Historically, the Authority purchased Mortgage Loans from Mortgage Lenders which were approved by the Authority and which entered into mortgage purchase agreements with the Authority (each, a “Purchase Agreement”). The Purchase Agreement, together with the Master Servicing Agreement, allows Mortgage Lenders to originate and sell Mortgage Loans to U.S. Bank National Association, as master servicer (the “Master Servicer”) in order that the Master Servicer may pool such Mortgage Loans into Mortgage-Backed Securities and sell them to the Authority. The terms of the Purchase Agreements are subject to change so long as there is compliance with State and federal law and the Indenture.

Mortgage Lenders must process all Mortgage Loans in compliance with the requirements of the Purchase Agreements and the Master Servicing Agreement. The Mortgage Lender performs the initial underwriting of the Mortgage Loan. Credit underwriting must be in compliance with:

- (i) accepted mortgage industry underwriting standards;
- (ii) for Mortgage Loans required to have private mortgage insurance, standards approved by the qualified private mortgage insurer;
- (iii) for Mortgage Loans that are FHA-insured, VA-guaranteed or USDA/RD-guaranteed, standards specified by the applicable agency; and
- (iv) for Mortgage Loans that are to be pooled into Mortgage-Backed Securities, standards specified in the Program Agreements. The Authority’s procedure manual emphasizes use of FHA underwriting guidelines (other than with respect to VA-insured Mortgage Loans or USDA/RD-guaranteed Mortgage Loans, which shall be subject to VA or USDA/RD underwriting guidelines, respectively).

The Mortgage Lender must obtain an application package consisting of all required credit and employment information, appraisals, affidavits, certificates and other documents required by the Master Servicer Lender Guide and forward the application package to the Master Servicer. The Master Servicer, in accordance with the applicable procedures under the Master Servicing Agreement, reviews the

compliance package and mortgage file for each Mortgage Loan to be pooled in order to back a Mortgage Security and determines its acceptability before pooling them into a related Mortgage-Backed Security.

The Authority purchases Mortgage-Backed Securities backed by pools of Mortgage Loans in accordance with the provisions of the Master Servicing Agreement. All Mortgage Loans financed through the acquisition of Mortgage-Backed Securities must meet (i) any requirements outlined in the applicable Series Program Determination, (ii) the requirements of the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, and (iii) the requirements of the Master Servicing Agreement. The purchase price for Mortgage Loans underlying Mortgage-Backed Securities will be the price set forth in the Master Servicing Agreement, as amended from time to time.

Loan Servicing

Pursuant to the Master Servicing Agreement with the Master Servicer, the Master Servicer is responsible for servicing the Mortgage Loans underlying the Mortgage-Backed Securities. Such Mortgage Loans must be in the form of a mortgage or other instrument approved by the FHA in the case of an FHA insured loan, USDA/RD in the case of a loan guaranteed by USDA/RD, Fannie Mae or FHLMC in the case of a conventional loan, or as approved by the Authority for other loans and which meets the requirements set forth in the Purchase Agreement.

Pursuant to the Master Servicing Agreement, the Master Servicer is expected to issue GNMA Securities, and acquire Fannie Mae Securities and FHLMC Securities, in each case backed by Mortgage Loans which the Master Servicer has purchased from the Mortgage Lenders, and sell such Mortgage-Backed Securities to the Authority. From time to time proceeds of Bonds will be used to reimburse the Authority for the purchase price of Mortgage-Backed Securities (which meet the requirements of the General Indenture Program and the applicable Series Program Determinations) previously purchased by the Authority. Upon such reimbursement, those Mortgage-Backed Securities are transferred to the General Indenture as Pledged Property.

Under the Master Servicing Agreement, the Master Servicer is primarily responsible for the purchase, pooling and servicing of Mortgage Loans that underlie Mortgage-Backed Securities that are to be purchased by the Authority under the General Indenture Program.

Under the terms of the Master Servicing Agreement, the Master Servicer must service the applicable Mortgage Loans in accordance with generally accepted practices of the mortgage lending industry, the Master Servicing Agreement and with the requirements of the GNMA Guide, Fannie Mae Guide or FHLMC Guide, as applicable, including maintenance of all accounts required thereby, cause monthly principal and interest payments under the GNMA Securities, Fannie Mae Securities and FHLMC Securities to be paid to the Trustee in accordance with the GNMA Guide, the Fannie Mae Guide or FHLMC Guide, and perform all loan servicing duties in accordance and in compliance with the applicable mortgage loan guarantors, mortgage loan insurer's (FHA-HUD), private mortgage loan insurers', and mortgage loan security agencies' (GNMA, Fannie Mae, Freddie Mac) published guidelines.

The Master Servicer has agreed not to consent to any changes in the terms and conditions of any Mortgage Loan, the release of specified property from the lien of a Mortgage or the grant of an easement or right of way upon property securing a Mortgage Loan, except any such amendment, release or grant which is not inconsistent with or prejudicial to the rights and interests of GNMA, Fannie Mae or FHLMC, the Authority, the Trustee or the owners of the Bonds; provided that no such change may affect the time or amounts of payment of principal and interest on any Mortgage Loan or the obligation to pay taxes and maintain insurance on the property securing any Mortgage Loan at the times and in the manner specified in the Purchase Agreements.

The Master Servicer must diligently enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans, including the prompt payment of all Mortgage Loan principal and interest payments and all other amounts due thereunder and compliance with all provisions of the Purchase Agreements. Except as provided in the Purchase Agreements, the Master Servicer has agreed not to release the obligations of any mortgagor under any Mortgage Loan.

The Master Servicer must undertake reasonable efforts to collect all payments required under the terms and provisions of the Mortgage Loans it is obligated to service. The Master Servicer shall, at a minimum, take the following actions in an effort to mitigate the potential for losses resulting from delinquent Mortgage Loans: (i) if a Mortgage Loan becomes delinquent for 17 days, contact the mortgagor via automated telephone call; (ii) if a Mortgage Loan is delinquent for more than 17 days but less than 30 days, contact the mortgagor via a second automated telephone call; (iii) if a Mortgage Loan is delinquent for more than 30 days, contact the mortgagor via personal telephone call; (iv) if a Mortgage Loan is delinquent for more than 30 days but less than 60 days, contact the mortgagor by written notice and personal telephone call; and (v) if a Mortgage Loan is delinquent for more than 60 days, send to the mortgagor any loss mitigation materials deemed appropriate by the Master Servicer and offer to the mortgagor extended delinquencies options, as permissible.

Information Concerning the Master Servicer

THE FOLLOWING INFORMATION ABOUT THE SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. SUCH INFORMATION HAS NOT BEEN VERIFIED BY THE AUTHORITY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL AND IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY BY AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE AUTHORITY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

The Servicer is U.S. Bank National Association. As of June 30, 2025, the Servicer serviced 1,316,552 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately \$215.9 billion. The Servicer currently services single-family mortgage loans for State and Local Housing Finance Authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of June 30, 2025, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately \$686.4 billion and a net worth of \$61.4 billion. For the three (3) months ending June 30, 2025, the Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately \$16.2 billion.

The Servicer is (i) an FHA- and VA-approved lender in good standing. (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA and (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities (iv) a FHLMC approved seller and servicer of FHLMC securities.

The Servicer is not liable for the payment of the principal of the Bonds or the interest or redemption premium, if any thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the 5th largest financial services holding company in the United States.

OTHER SINGLE-FAMILY PROGRAMS OF THE AUTHORITY

Single-Family Mortgage Loan Programs

In addition to the General Indenture Program (which is more fully described under the caption “THE GENERAL INDENTURE PROGRAM”), the Authority has issued bonds to fund its single-family mortgage loan purchase program under its: (a) Homeowner Mortgage Revenue Bonds General Resolution adopted on July 15, 1994, as amended and restated on September 19, 2008 (as subsequently supplemented and amended, the “Homeowner Resolution”); and (b) Residential Mortgage Revenue Bond General Indenture adopted on August 19, 1983 (as amended and supplemented, the “1983 Resolution”). Bonds issued under the Homeowner Resolution are used for the purpose of acquiring Mortgage Loan and Mortgage-Backed Securities. As of October 31, 2025, \$98,690,000.00 aggregate principal amount of Bonds were Outstanding under the Homeowner Resolution. As of October 31, 2025, Mortgage Loans outstanding in the program account under the Homeowner Resolution totaled \$123,264,315.19 and Mortgage-Backed Securities outstanding in the program account under the Homeowner Resolution totaled \$53,465,922.15. Bonds issued under the 1983 Resolution were used for the purpose of purchasing mortgage loans from approved lending institutions located throughout the State, on owner-occupied, one-to-four unit dwellings acquired by eligible buyers. From 1983 through 1993, the Authority issued 32 series of bonds (none of which remain outstanding) under the 1983 Resolution for an aggregate amount of approximately \$1.8 billion in lendable proceeds. The Authority does not expect to issue additional bonds under the 1983 Resolution.

Housing Revenue Bonds

In the years 2011, 2012 and 2013, the Authority issued (i) \$67,638,829 Housing Revenue Bonds, Series 2011 (Mortgage-Backed Securities), (ii) \$40,863,097 Federally Taxable Housing Revenue Bonds, Series 2012A (MBS Pass-Through Program), (iii) \$78,750,000 Housing Revenue Bonds, Series 2013A (MBS Pass-Through Program), (iv) \$21,250,000 Federally Taxable Housing Revenue Bonds, Series 2013B (MBS Pass-Through Program), and (v) \$16,926,210 Housing Revenue Bonds, Series 2013C (MBS Pass-Through Program) (collectively, the “MBS Series”) to acquire mortgage-backed securities relating to homeownership loans. Such bonds supplemented the Authority’s single-family program financing for the period between the issuance of the Authority’s Homeowner Mortgage Revenue Bonds, 2011 Series J and B, and the issuance of the Authority’s Homeowner Mortgage Revenue Bonds, 2014 Series K (Non-AMT) on July 24, 2014. The MBS Series were all issued under closed indentures and are not secured in any way by the General Indenture and, also, do not constitute a general obligation of the Authority.

The MBS Series are fully originated. The Authority reserves the right to issue further similar series of Bonds in the future, some of which might compete with the issuance of future series of Bonds under the General Indenture.

Other Programs

In addition to the General Indenture Program and other single-family programs of the Authority, the Authority has also established various multi-family mortgage loan programs to be used to finance new mortgage loans, and to make additional loans for, multi-family developments.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the Tax-Exempt Bonds is excludable from gross income under Section 103 of the Code for federal income tax purposes. The interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. However, the interest on the Tax-Exempt Bonds may be taken into account for the purpose of computing the alternative minimum tax on corporations. These opinions are conditioned on continuing compliance by the Authority with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. See APPENDIX F – “FORM OF OPINION OF BOND COUNSEL” attached hereto.

Bond Counsel is further of the opinion that under the Act, in its present form, the Series 2025G/H Bonds and all income from the Series 2025G/H Bonds are free from all taxation of the State of Illinois or its political subdivisions except for estate, transfer and inheritance taxes. Future legislation enacted in the State could alter the State tax status of bonds issued by the Authority prior to enactment. There is no way to predict the scope of future legislative proposals, and whether such proposals, if enacted, will alter the tax status of the Series 2025G/H Bonds. In addition, the Series 2025G/H Bonds and the income therefrom may be subject to taxation under the laws of states other than the State of Illinois. See APPENDIX F – “FORM OF OPINION OF BOND COUNSEL” attached hereto.

The Code imposes certain requirements which must be met subsequent to the issuance of the Tax-Exempt Bonds as a condition to the excludability from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes. The Authority will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Tax-Exempt Bonds, that would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds pursuant to Section 103 of the Code (collectively, the “Tax Covenants”). The Indenture and certain other certificates and agreements to be delivered on the date of delivery of the Tax-Exempt Bonds establish procedures under which compliance with the requirements of the Code can be met. See also APPENDIX A – “CERTAIN ADDITIONAL FEDERAL INCOME TAX MATTERS.”

The Code also subjects taxpayers to an alternative minimum tax on a taxpayer’s “alternative minimum taxable income,” which, in general terms, consists of a taxpayer’s regular taxable income plus its tax preferences and special adjustments with respect to certain deductions used by a corporation to compute taxable income. One of the preference items for individuals included in determining alternative minimum taxable income is interest on certain private activity bonds.

Although Bond Counsel will render an opinion that interest on the Tax-Exempt Bonds is excludable from federal gross income and that interest on the Tax-Exempt Bonds is free from all taxation of the State of Illinois or its political subdivisions except for estate, transfer and inheritance taxes, the accrual or receipt of interest on the Tax-Exempt Bonds may otherwise affect a bondholder’s federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and a bondholder’s other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Tax-Exempt Bonds. Bond Counsel expresses no opinion regarding any other such

tax consequences. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors with regard to the tax consequences of owning the Tax-Exempt Bonds.

Tax Status of the Taxable Bonds

The following discussion summarizes the material United States federal income tax consequences generally applicable to the purchase, ownership and disposition of Taxable Bonds by a beneficial owner thereof (the “Owner”). The discussion is limited to the tax consequences to the initial investors of the Taxable Bonds who purchase the Taxable Bonds at the issue price within the meaning of Section 1273 of the Code and generally does not address the tax consequences to subsequent purchasers of Taxable Bonds. The discussion does not purport to be a complete analysis of all of the potential United States federal income tax consequences relating to the purchase, ownership and disposition of Taxable Bonds, nor does this discussion address any state, local, foreign taxes, or federal estate or gift tax consequences. Moreover, there can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS has been, or is expected to be, sought on the issues discussed herein, potentially with retroactive effect. Legislative, judicial, or administrative changes or interpretations may occur that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may or may not be retroactive and could adversely affect the tax consequences discussed below. **Interest on the Taxable Bonds is not excludable from gross income from federal income tax purposes.**

The following is a summary of certain material federal income tax consequences of holding and disposing of the Taxable Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary does not discuss all aspects of federal income taxation that may be relevant to investors. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Bonds generally and does not purport to furnish information in the level of detail or with the investor’s specific tax circumstances that would be provided by an investor’s own tax advisor. For example, except as explicitly provided below, it generally is addressed only to original purchasers of the Taxable Bonds that are “U.S. Holders” (as defined below), deals only with Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold Taxable Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose “functional currency” is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Taxable Bonds. This summary was prepared in connection with the offering of the Taxable Bonds. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to such investor’s particular situation.

As used herein, a “U.S. Holder” is a “U.S. person” that is a beneficial owner of a Taxable Bond. A “Non-U.S. Holder” is a holder (or beneficial owner) of a Taxable Bond that is not a U.S. Person. For these purposes, a “U.S. person” is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions. If a partnership (or an entity taxable as a partnership) holds Taxable Bonds, the United States federal income tax treatment

of a partner generally will depend upon the status of the partner and the tax status of the partnership. Partners of partnerships holding Taxable Bonds should consult their own tax advisors with regard to the U.S. federal income tax treatment of the purchase, ownership and disposition of the Taxable Bonds.

The Taxable Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest.

If the excess of the stated redemption price at maturity of a Taxable Bond over its “issue price” exceeds a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity), the excess is treated as original issue discount (“OID”). The issue price of the Taxable Bonds is the first price at which a substantial amount of the Taxable Bonds is sold to the public. The issue price of the Taxable Bonds is expected to be the amount set forth on the inside cover pages of this Official Statement but is subject to change based on actual sales.

With respect to a U.S. Holder that purchases in the initial offering a Taxable Bond issued with OID, the amount of OID that accrues during any accrual period equals (i) the “adjusted issue price” of the Bond at the beginning of the accrual period (which price equals the issue price of such Taxable Bond plus the amount of OID that has accrued on a constant-yield basis in all prior accrual periods minus the amount of any payments, other than “qualified stated interest,” received on the Taxable Bond in prior accrual periods) multiplied by (ii) the yield to maturity of such Taxable Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period) less (iii) any qualified stated interest payable on the Taxable Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

A U.S. Holder of a Taxable Bond issued with OID must include in gross income for federal income tax purposes the amount of OID accrued with respect to each day during the taxable year that the U.S. Holder owns a Taxable Bond. Such an inclusion in advance of receipt of the cash attributable to the income is required even if the U.S. Holder is on the cash method of accounting for United States federal income tax purposes. The amount of OID that is includible in a U.S. Holder’s gross income will increase the U.S. Holder’s tax basis in a Taxable Bond. The adjusted tax basis in a Taxable Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale or retirement) of the Taxable Bond.

A holder of a Taxable Bond who purchases such Taxable Bond at a cost that exceeds the stated principal amount of such Taxable Bond will have amortizable bond premium equal to such excess. If the holder elects to amortize the bond premium, such election will apply to all Taxable Bonds held by the holder on the first day of the taxable year to which the election applies, and to all Taxable Bonds thereafter acquired by the holder. The premium must be amortized using constant yield principles based on the purchaser’s yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, but a reduction in basis is required for amortizable bond premium even though such premium is applied to reduce interest payments. Bond premium on a Taxable Bond held by a holder that has not elected to amortize bond premium will decrease the gain or loss otherwise recognized on the disposition of the Taxable Bond.

If a holder purchases the Taxable Bonds after the initial offering for an amount that is less than the principal amount of the Taxable Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a Taxable Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market

discount currently, the portion of any interest expense incurred or continued to carry a market discount Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Medicare Tax

An additional 3.8% tax will be imposed on the net investment income (which includes interest, original issue discount and gains from a disposition of a Taxable Bond) of certain individuals, trusts and estates. Prospective investors in the Taxable Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the Taxable Bonds.

Sale and Exchange of a Taxable Bond; Defeasance

Upon a sale or exchange of a Taxable Bond, a holder generally will recognize gain or loss on the Taxable Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such Taxable Bond. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the Taxable Bond not yet taken into income will be ordinary) if the holder holds a Taxable Bond as a capital asset. The adjusted basis of the holder in a Taxable Bond (without OID) will (in general) equal its original purchase price and decreased by any payments received on the Taxable Bond. In general, if the Taxable Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

If the Taxable Bonds are legally defeased, under current tax law a holder will be deemed to have sold or exchanged such Taxable Bond. In the event of such a legal defeasance, a holder generally will recognize gain or loss on the deemed exchange of the Taxable Bond. Ownership of the Taxable Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different than those described in this “TAX MATTERS” section and each holder should consult its own tax advisor regarding the consequences to such holder of a legal defeasance of the Taxable Bonds.

Backup Withholding

The Trustee must report annually to the IRS and to each U.S. Holder any interest that is payable to the U.S. Holder, subject to certain exceptions. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s federal income tax liability and may entitle the owner to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors concerning the application of information reporting and backup withholding rules.

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 Taxable 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 Taxable 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 Taxable 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 Taxable 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.

LEGAL MATTERS

The Series 2025G/H Bonds will be approved by the legal opinion of Ice Miller LLP, Bond Counsel. The proposed form of the Bond Counsel opinion is included in this Official Statement as APPENDIX F. Certain legal matters will be passed upon for the Authority by its General Counsel, Christina McClernon, Esq. and for the Underwriters by their counsel, Chapman and Cutler LLP.

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 2025G/H Bonds or that in any way contests the validity of the Series 2025G/H Bonds or any proceedings of the Authority taken with respect to their issuance or sale or the pledge or application of any moneys or the security provided for the payment of the Bonds, including the Series 2025G/H 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 2025G/H Bonds, of the Authority.

LEGALITY FOR INVESTMENT

Under the Act, the Series 2025G/H 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, savings banks and savings associations, saving and loan associations, investment 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 of purchases of the Series 2025G/H Bonds and may also contain limitations that permit purchases of the Series 2025G/H Bonds only with specified percentages of their assets.

FINANCIAL ADVISOR

Caine Mitter & Associates Incorporated has served as independent financial advisor to the Authority in connection with the sale of the Series 2025G/H Bonds.

RATINGS

The Series G/H Bonds have received the rating of “Aaa” from Moody’s Investors Service, Inc. (the “Rating Agency”). The ratings assigned to the Series 2025G/H Bonds reflect only the views of the Rating Agency and an explanation of the significance of such ratings may be obtained only from the Rating Agency. There is no assurance that the ratings that have been assigned to the Series 2025G/H Bonds will continue for any given period of time or that either such rating will not be revised or withdrawn entirely by the Rating Agency if, in the judgment of the Rating Agency, circumstances so warrant. A downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2025G/H Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The Series 2025G Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement. The Underwriters agree, jointly and severally, to purchase the Series 2025G Bonds at a purchase price equal to \$140,646,563.10, representing the aggregate principal amount of the Series 2025G Bonds, plus original issue premium of \$10,646,563.10 pursuant to the terms of a purchase contract for the Series 2025G Bonds. The Underwriters will receive a fee of \$867,554.77 in connection with the sale of the Series 2025G Bonds to be paid by the Authority.

The Series 2025H Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement. The Underwriters agree, jointly and severally, to purchase the Series 2025H Bonds at a purchase price equal to \$71,004,230.50, representing the principal amount of the Series 2025H Bonds, plus original issue premium of \$1,004,230.50 pursuant to the terms of a purchase contract for the Series 2025H Bonds. The Underwriters will receive a fee of \$408,252.18 in connection with the sale of the Series 2025H Bonds to be paid by the Authority.

The Underwriters may offer and sell the Series 2025G/H Bonds offered to the public to certain dealers (including dealers depositing the Series 2025G/H Bonds into unit investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower than the public offering prices stated on the inside front cover.

The purchase contract for each Series of Series 2025G/H Bonds will include terms and conditions for the purchase by the Underwriters of the applicable Series.

Certain of the Underwriters and their affiliates together comprise full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, finance and brokerage activities. Such activities may involve or relate to assets, securities and/or instruments of the Authority (whether directly, as collateral securing obligations or otherwise) and/or persons and entities with relationships with (or that are otherwise involved with transactions by) the Authority. One or more of the Underwriters may have, from time to time, engaged, and may in the future engage, in transactions with,

and 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. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Authority and any affiliates thereof in connection with such transactions and/or services. In addition, the Underwriters and their affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by, the Authority and any affiliates thereof. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., an underwriter of the Series 2025G/H Bonds has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2025G/H Bonds.

J.P. Morgan Securities LLC (“J.P. Morgan”) 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 2025G/H Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any Series 2025G/H Bonds that such firm sells.

Morgan Stanley & Co. LLC, an underwriter of the Series 2025G/H Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisory network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2025G/H Bonds.

RBC Capital Markets (“RBCCM”) has entered into a distribution arrangement with its affiliate City National Securities, Inc. (“CNS”). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Series 2025G/H Bonds. RBCCM is a subsidiary of the Royal Bank of Canada. RBCCM serves as remarketing agent on separate Authority transactions. Royal Bank of Canada has provided standby bond purchase agreements for separate Authority transactions, and also serves as a swap counterparty to the Authority.

Stern Brothers & Co., an underwriter of the Series 2025G/H Bonds, has entered into an agreement (the “Stern Brothers Agreement”) with InspereX LLC (“InspereX”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to the Stern Brothers Agreement, Stern Brothers & Co. may sell the Series 2025G/H Bonds to InspereX and will share a portion of its selling concession compensation, if applicable.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells

Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association (“WFBNA”), acting through its Municipal Finance Group, one of the underwriters of the Series 2025G/H Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC, (which uses the trade name ‘Wells Fargo Advisors’) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2025G/H Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2025G/H Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate, Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2025G/H Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

In their normal course of business, the Underwriters, the Financial Advisor and the Trustee and/or affiliates of the Underwriters, the Financial Advisor and the Trustee may have credit, investment banking, or other financial relationships with the Authority from time to time, for which they received or will receive customary fees and expenses.

CONTINUING DISCLOSURE

Undertaking

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission, the Authority will execute a Continuing Disclosure Undertaking to provide to the Municipal Securities Rulemaking Board certain annual financial information and operating data and notices of certain specified events. A summary of the Continuing Disclosure Undertaking is included as APPENDIX G to this Official Statement. The Continuing Disclosure Undertaking may be enforced by any beneficial owner of any Series 2025G/H Bonds, but the Authority’s failure to comply will not be a default under the Indenture.

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 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.

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.

MISCELLANEOUS

All quotations from, and summaries and explanations of, the Constitution of the State, the Act and the Indenture contained in this Official Statement do not purport to be complete and reference is made to the Constitution of the State, the Act and the Indenture for full and complete statements of their provisions. Copies, in reasonable quantity, of the Indenture may be obtained upon request directed to the Authority at 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601.

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 facts. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the Series 2025G/H Bonds. The execution and distribution of this Official Statement have been duly authorized by the Authority.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: /s/ Kristin Faust
Kristin Faust
Executive Director

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APPENDIX A

CERTAIN ADDITIONAL FEDERAL INCOME TAX MATTERS

The Code substantially restricts the use of proceeds of tax-exempt obligations used to finance mortgage loans for single-family housing. Under the Code, interest on bonds the proceeds of which are used to provide mortgage loans on owner-occupied housing is not excluded from gross income for Federal income tax purposes unless the bonds are part of a “qualified mortgage issue.” An issue of bonds such as the Tax-Exempt Bonds constitutes a “qualified mortgage issue” if the requirements described below under “Loan Eligibility Requirements Imposed by the Code” and requirements described below with respect to the use of funds generated by the issuance of such obligations are met.

Loan Eligibility Requirements Imposed by the Code

The Code contains the following loan eligibility requirements that are applicable to mortgage loans financed in whole or in part by the Tax-Exempt Bonds or otherwise attributable to the Tax-Exempt Bonds for Federal income tax purposes in order that interest on the Tax-Exempt Bonds not be included in gross income for Federal income tax purposes retroactive to the date of issuance thereof. Certain documents have been adopted by the Authority that establish procedures to be followed in connection with the Authority’s Single-Family Program in order to assure that interest paid on the Tax-Exempt Bonds not be included in gross income for Federal income tax purposes under the Code.

Residence Requirement

The Code requires that each of the premises financed with proceeds of qualified mortgage bonds be a one-to-four-family residence, one unit of which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. In the case of a two-to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the residence must have been occupied as a residence at least five years before the mortgage is executed.

First-Time Homebuyer Requirement

The Code requires that, subject to certain exceptions, the lendable proceeds of qualified mortgage bonds be used to provide financing to mortgagors who have not had a present ownership interest in their principal residence (other than the residence being financed) during the three-year period prior to execution of the mortgage loan.

New Mortgage Requirement

The Code requires that, with certain limited exceptions, the lendable proceeds of qualified mortgage bonds finance new mortgage loans only and that no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan.

Purchase Price Limitation

The Code requires that the purchase price of the residence financed with the lendable proceeds of qualified mortgage bonds may not exceed 90% of the average area purchase price applicable to such residence or 110% of the applicable average area purchase price in the case of residences located in targeted areas.

Income Limitation

The Code requires that all mortgage loans made from the lendable proceeds of qualified mortgage bonds be made only to borrowers whose family income does not exceed 115% (or for mortgage loans made to families with fewer than three members, 100%) of the applicable median family income. An exception is provided for mortgage loans financed with the lendable proceeds of qualified mortgage bonds made with respect to targeted area residences that permits two-thirds in aggregate amount of such mortgage loans to be made with respect to borrowers whose family income does not exceed 140% (for mortgage loans made to families with fewer than three members, 120%) of the applicable median family income and one-third in aggregate amount of such loans to be made without regard to any income limitation.

Applicable Federal tax law permits higher income limits for persons financing homes located in certain “high housing cost areas.” A high housing cost area is a statistical area for which the ratios of the area’s average purchase price for existing and new single-family houses to the area’s median income exceed 120% of the same ratios determined on a national basis. These ratios are determined separately with respect to new and existing single-family residences. An area is a high housing cost area only if the ratios for both new and existing houses meet the 120% test. In high housing cost areas, the mortgagor income limits are increased above 115% (or 100%, as applicable) by one percent for each percentage point (1%) by which the new or existing housing price ratio, whichever is smaller, exceeds 120%. However, the new limit cannot exceed 140% (or 120%, as applicable) of the income limits otherwise applicable.

Family income includes the income of all individuals executing both the note and mortgage and those occupying the dwelling as their principal residence.

Requirements as to Assumptions

The Code provides that a mortgage loan may be assumed only if each of the then applicable residence requirement, first-time homebuyer requirement, purchase price limitation, and income limitation is met with respect to such assumption.

General

An issue of bonds is treated as meeting the loan eligibility requirements of the Code if (i) the issuer in good faith attempted to meet all the loan eligibility requirements before the mortgage loans were executed, (ii) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the proceeds of the issue used to make mortgage loans was used to finance residences that met all such requirements at the time the mortgage loans were executed.

Other Requirements Imposed by the Code

General

Failure to comply with the applicable provisions of the Code may result in interest on the applicable issue of bonds being included in gross income for Federal income tax purposes retroactive to the date of issuance thereof. The Code provides that gross income for Federal income tax purposes does not include interest on a mortgage revenue bond if it is a qualified mortgage bond. A qualified mortgage bond is a part of an issue of a state or political subdivision all the proceeds of which (net of amounts applied to any costs of issuance thereof and to fund a reasonably required reserve) are used to finance owner-occupied residences and that meets certain (i) general requirements, (ii) arbitrage restrictions on the use and

investment of proceeds of the issue, and (iii) loan eligibility requirements set forth in the Code and as more fully described above under “Loan Eligibility Requirements Imposed by the Code.”

The first general requirement of the Code applicable to the Authority’s Single-Family Program is that the aggregate amount of private activity bonds that may be issued by the Authority in any calendar year must not exceed the portion of the private activity bond volume limit for the State for such calendar year that is allocated to the Authority and the portion of prior years’ private activity bond volume limits for the State allocated to the Authority for which the Authority has filed a carry-forward election. The Series 2025G/H Bonds are within the applicable limits for the Authority. The second general requirement of the Code applicable to the Authority’s Single-Family Program is that at least 20% of the lendable proceeds of an issue of bonds must be made available (and applied with reasonable diligence) for owner-financing of residences in targeted areas (as defined by the Code) for at least one year after the date on which such funds are first available for such owner-financing (the “targeted area requirement”).

The Code requires the issuer of qualified mortgage bonds to file with the Internal Revenue Service reports on the issuance of its qualified mortgage bonds following such issuance, as well as an annual qualified mortgage loan information report.

The Code requires that the effective interest rate on mortgage loans financed with the lendable proceeds of qualified mortgage bonds may not exceed the yield on the issue by more than 1.125% and that certain investment earnings on non-mortgage investments, calculated based upon the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were invested at a yield equal to the yield on the Tax-Exempt Bonds, be rebated to the United States.

Recapture Provision

For certain mortgage loans made after December 31, 1990 from the proceeds of Series 2025G/H Bonds issued after August 15, 1986, and for assumptions of such mortgage loans, the Code requires a payment to the United States from certain mortgagors upon sale or other disposition of their homes (the “Recapture Provision”). The Recapture Provision requires that an amount determined to be the subsidy provided by a qualified mortgage bond financing to a mortgagor be paid to the United States on disposition of the house (but not in excess of 50% of the gain realized by the mortgagor). The recapture amount would (i) increase over the period of ownership, with full recapture occurring if the house were sold between four and five full years after the closing of the mortgage loan and (ii) decline ratably to zero with respect to sales occurring between five and nine full years after the closing of the mortgage loan. An exception excludes from recapture part or all of the subsidy in the case of certain assisted individuals whose incomes are less than prescribed amounts at the time of the disposition. The Code requires an issuer to inform mortgagors of certain information with respect to the Recapture Provision.

The Code states that an issuer will be treated as meeting the targeted area requirement, the arbitrage restrictions on mortgage loans, and the recapture information requirements if it in good faith attempted to meet all such requirements and any failure to meet such requirements was due to inadvertent error after taking all reasonable steps to comply with such requirements.

Required Redemptions

The Code requires redemption of certain qualified mortgage bonds issued after 1988 from unexpended proceeds required to be used to make mortgage loans that have not been used within 42 months from the date of issuance (or the date of issuance of the original bonds in the case of refundings of unexpended proceeds), except for a \$250,000 de minimis amount. Additionally, for bonds issued after 1988, the Code permits repayments (including prepayments) of principal of mortgage loans financed with

the proceeds of an issue of bonds to be used to make additional mortgage loans for only 10 years from the date of issuance of the bonds (or the date of issuance of the original bonds in the case of refundings), after which date such amounts must be used to redeem bonds, except for a \$250,000 de minimis amount.

Ten-Year Rule

Section 143(a)(2)(A)(iv) of the Code, effective for bonds issued after December 31, 1988, requires that prepayments and repayments of loan principal received after a date 10 years from the date of issue of the related bonds be used to pay and redeem bonds of that particular issue (a requirement sometimes referred to as the “10-Year Rule”). Hence, in the case of a “new money” issue of bonds, prepayments and repayments of loan principal received during the first 10 years following the date of issue can be recycled into new loans, either directly, or indirectly through a refunding of bonds of the issue or another issue, but, after the 10-year date, no further recycling is permitted and the prepayments and repayments of related loan principal must be devoted to paying and redeeming bonds of the related bond issue.

Where the issue of bonds is itself a refunding issue, in whole or in part, the 10-Year Rule is applied by measuring the 10-year period from the dates of issue of the various issues of bonds being refunded (or the dates of issue of the original bonds in a chain of refundings), and the prepayments and repayments of loan principal, when received, must be allocated, for purposes of applying the 10-Year Rule, among the issues of bonds refunded. Varying percentages of the prepayments and repayments of loan principal, therefore, will have different 10-Year Rule effective dates commencing with the date of issue of the bonds, and continuing through the date that is 10 years after said date of issue, reaching 100% no later than the date 10 years after the date of issue. Charts showing the application of the 10-Year Rule to the Tax-Exempt Bonds are found under the heading “The Series 2025G/H Bonds – Redemption – *Special Redemption of Series 2025G/H Bonds from Revenues Available under the General Indenture.*”

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APPENDIX B

CERTAIN INFORMATION CONCERNING THE GENERAL INDENTURE PROGRAM

APPENDIX C

AUTHORITY ANNUAL FINANCIAL STATEMENTS (AUDITED)

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

THE FOLLOWING IS A SUMMARY OF CERTAIN OF THE PROVISIONS OF THE GENERAL INDENTURE. THIS SUMMARY DOES NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE AND IS SUBJECT TO THE PROVISIONS OF THE GENERAL INDENTURE (REFERRED TO BELOW IN THIS APPENDIX AS THE “INDENTURE”).

Certain Definitions (Section 101 of the Indenture)

The following are definitions in summary form of certain terms contained in the Indenture.

“Accountant” means a major or 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.

“Act” means the Illinois Housing Development Act, as amended from time to time.

“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 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 the 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 Indenture or Supplemental Indenture.

“Authority Program Determinations” mean any determination(s) by the Authority relating to Mortgage Loans to be financed (or underlying Mortgage-Backed Securities to be financed), or relating to Mortgage-Backed Securities to be financed, with amounts in a related Authority Program Account, all consistent with the 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, the Vice Chairman, the Executive Director, the Acting Executive Director, the Deputy Executive Director, the Assistant Executive Director, the Treasurer, the Secretary, each Assistant Treasurer, each Assistant Secretary and the Chief Financial Officer 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 the Indenture.

“Bond” or “Bonds” means any Bond or Bonds issued pursuant to the 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 Trustee may make a draw to provide funds as needed for the Reserve Fund or to provide Supplemental Mortgage Coverage.

“Cash Flow Certificate” means a certificate of an Authorized Representative filed with the Trustee and meeting the requirements described in the second-to-last paragraph under “Cash Flow Certificates and Cash Flow Statements” below.

“Cash Flow Statement” means a certificate of an Authorized Representative filed with the Trustee and meeting the requirements described in the last paragraph under “Cash Flow Certificates and Cash Flow Statements” below, including the cash flow projections included therein.

“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 the 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.

“Contributed Assets” means any monies or assets contributed by the Authority to be held under the Indenture as additional Pledged Property, 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 and issuance 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 the 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 under the Indenture.

“Event of Default” means any of the events of default described in Section 702 of the Indenture. “Expenses” means any money required or determined to be used by the Authority (i) to pay the fees or expenses of the Trustee and any expenses which the Authority lawfully may pay relating to the Program including, without limitation, expenses of maintaining, administering, collecting, enforcing and insuring Mortgage Loans, Mortgage-Backed Securities or the Bonds, Supplemental Mortgage Coverage, Guaranty Fees, or expenses related to the purchase or redemption of Bonds, except as limited with respect to any Series of Bonds by the applicable Series Indenture, or (ii) to make any payment which the Authority lawfully may make and is reflected in the most recently filed Cash Flow Statement.

“Fannie Mae” means Fannie Mae, a federally chartered corporation, or any successor to it.

“Fannie Mae Security” means a single pool, guaranteed mortgage pass-through Fannie Mae mortgage-backed security, bearing interest at the applicable Pass-Through Rate, issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by Fannie Mae, and backed by Mortgage Loans in the related pool.

“FHA” means the Federal Housing Administration of the United States Department of Housing and Urban Development, or any other agency or instrumentality created or chartered by the United States to which the powers of the Federal Housing Administration have been transferred.

“FHLMC” means the Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States of America created pursuant to Title III of the Emergency Home Finance Act of 1970, as amended, or any successor to it.

“FHLMC Security” means a single pool, guaranteed mortgage pass-through certificate, bearing interest at the applicable Pass-Through Rate, issued by FHLMC in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by FHLMC, and backed by Mortgage Loans in the related pool.

“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 the Indenture or a Series Indenture.

“GNMA” means the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, and its successors or assigns. Its powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. §1716 et seq.).

“GNMA Guaranty Agreement” means one or more Guaranty Agreements between a servicer and GNMA with respect to GNMA Securities under the GNMA I Program or GNMA II Program, and the applicable GNMA Guide now as hereafter in effect pursuant to which GNMA has agreed or will agree to guarantee GNMA Securities.

“GNMA Guide” means the GNMA I or GNMA II Mortgage-Backed Securities Guide in effect on the date of issuance of the GNMA Guaranty Agreement.

“GNMA Security” means a mortgage pass-through certificate (in book-entry form) purchased by the Trustee, issued by the applicable servicer, recorded in the name of the Trustee or its nominee, and guaranteed by GNMA pursuant to GNMA’s GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended. Each GNMA Security shall be based on and backed by Mortgage Loans referred to in the applicable GNMA Guaranty Agreement and shall unconditionally obligate the servicer to remit monthly to the Trustee or its designee, or a paying agent acting on behalf of the Trustee, its pro rata share of (x) principal payments and prepayments made with respect to the pool of Mortgage Loans represented by the GNMA Security and (y) interest received in an amount equal to the principal balance of the GNMA Security multiplied by the applicable Pass-Through Rate. GNMA shall guarantee to the holder of each GNMA Security such holder’s pro rata share of (i) the timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Mortgage Loans represented by the GNMA Security and (ii) the timely payment of principal in accordance with the terms of the principal amortization schedule applicable to the Mortgage Loans represented by such GNMA Security.

“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.

“Guaranty Fee” means a fee paid to Fannie Mae, FHLMC or GNMA, as applicable, in consideration of the respective guaranties provided by them relating to Fannie Mae Securities, FHLMC Securities and GNMA Securities, respectively.

“Hedge Agreement” means an agreement with respect to any Bonds, such as an interest rate swap, collar, floor, cap or other functionally similar agreement, creating Hedge Payments, between the Authority and a counterparty, but only if the Hedge Payments to the Authority are to be included in Revenues or the Hedge Payments by the Authority are to be payable from Revenues, as provided in the related Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below.

“Hedge Payment” means a payment obligation created by a Hedge Agreement, which payment is equal to interest on an amount, based upon a fixed rate or a variable rate index or formula, or to interest on an amount above or below an interest rate cap or floor. Hedge Payments to a counterparty include only payments under a Hedge Agreement determined by reference to such interest on an amount and shall not include any other payments to the counterparty under such agreement (for example, any termination fee payment to the counterparty). Hedge Payments from a counterparty include all payments from the counterparty under the Hedge Agreement except to the extent provided in the related Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below.

“Indenture” means the General Indenture, as amended or supplemented by Supplemental Indentures and any Series Indenture (to the extent that such Series Indenture purports to amend the Indenture).

“Insurance Proceeds” means payments received with respect to the Mortgage Loans under any insurance policy, guarantee or fidelity bond, including amounts available under any Supplemental Mortgage 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 from casualty insurance with respect to property securing Mortgage Loans to the extent applied to the repair, reconstruction or replacement of the insured property.

“Investment Obligations” 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, 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 such 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 stripped mortgage securities which are purchased at prices exceeding their principal amounts, and (2) with a rating by each Rating Agency at least equal to that Rating Agency’s existing Rating on the 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 least equal to that Rating Agency’s existing rating on the 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 or time deposits of any bank, trust company or national banking association, including the Trustee, or any savings and loan association, if all of the direct, unsecured debt obligations of such bank, trust company, national banking association or savings and loan association at the time of purchase of such certificates of deposit or time deposits which are rated by each Rating Agency at least equal to that Rating Agency’s existing Rating on the 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) of 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 are rated by each Rating Agency at least equal to that Rating Agency's existing Rating on the 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 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 are rated by each Rating Agency at least equal to that Rating Agency's existing Rating on the 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 that 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 are rated by each Rating Agency at least equal to that Rating Agency's existing Rating on the 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 are (A) 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) rated by each Rating Agency at least equal to that Rating Agency's existing Rating on the Bonds;

(x) commercial paper (having original maturities of not more than 365 days) with the highest short-term rating by each Rating Agency;

(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 Standard & Poor's Ratings Group 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 authorized in a Series Indenture authorizing Bonds.

The definition of Investment Obligations may be amended and additional obligations included by a Certificate of an Authorized Representative filed with the Trustee accompanied by a Rating Certificate. Any reference in this definition to the highest rating of short-term obligations shall be without regard to any refinement or gradation such as a "+" or a "-". 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. The Trustee is not responsible for monitoring the ratings of Investment Obligations after an investment is made in those Investment Obligations.

“Liquidation Proceeds” means the net amounts (other than Insurance Proceeds and amounts referred to in the last sentence of the definition of Insurance Proceeds) received in connection with the liquidation of a defaulted Mortgage Loan, whether through foreclosure, trustee’s sale, repurchase by a mortgage lender, or otherwise, less any costs and expenses incurred in realizing those amounts.

“Master Servicer” means the person with which the Authority has entered into a Master Servicing Agreement.

“Master Servicing Agreement” means an agreement between the Authority and a Master Servicer relating to the financing by the Authority of Mortgage-Backed Securities.

“Mortgage Loan” means (i) any loan evidenced by a note and secured by a mortgage or equivalent security on an owner-occupied residence in Illinois, or a participation interest in such a loan pursuant to a Participation Agreement, that in each case is financed with amounts deposited in the Funds and Accounts (other than other Funds and Accounts so specified in a Series Indenture, and other than the Special Program Fund except to the extent specified in a Series Indenture), or (ii) any loan underlying a Mortgage-Backed Security financed with amounts deposited in the Funds and Accounts (other than other Funds and Accounts so specified in a Series Indenture, and other than the Special Program Fund except to the extent specified in a Series Indenture), which loan is evidenced by a note and secured by a mortgage or equivalent security on an owner-occupied residence in Illinois. With respect to loans related to cooperative dwelling units, the loan may be evidenced by a promissory note and secured by a lien upon the related shares of stock in the cooperative housing corporation and proprietary lease related to the financed premises.

“Mortgage-Backed Security” means a Fannie Mae Security, an FHLMC Security or a GNMA Security, or a participation interest in any of them pursuant to a Participation Agreement, that in each case is financed with amounts deposited in the Funds and Accounts (other than other Funds and Accounts so specified in a Series Indenture, and other than the Special Program Fund except to the extent specified in a Series Indenture).

“Outstanding” means, with respect to any Bonds as of any date, all Bonds authenticated and delivered by the Trustee under the Indenture to that date, except:

- (a) any Bond deemed paid in accordance with the Indenture;
- (b) any Bond cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase for cancellation prior to maturity; and
- (c) any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to Section 210 of the 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 Uniform Commercial Code of the State, 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.

“Participation Agreement” means any agreement among the Authority, the Trustee and the trustee or trustees for one or more bond resolutions or indentures of the Authority other than the Indenture pursuant to which rights to payments on mortgage loans or mortgage-backed securities are allocated between or among the Indenture and such other resolution, resolutions, indenture or indentures.

“Pass-Through Rate” means the rate of interest on a Mortgage-Backed Security, which shall be the rate or rates of interest per year set forth in or determined in accordance with the applicable Series Indenture.

“Pledged Property” means Revenues and all other money in all Funds and Accounts established under the Indenture and Series Indentures (other than the Rebate Fund), 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 Mortgage Loans and the documents evidencing and securing the Mortgage Loans; all right, title and interest of the Authority in and to the Mortgage-Backed Securities and the documents evidencing and securing the Mortgage-Backed Securities including any guaranty of such Mortgage-Backed Securities; all right, title and interest of the Authority in and to Insurance Proceeds and Liquidation Proceeds, but excluding Mortgage Loan accrued interest not purchased by the Authority. Pledged Property also includes all Contributed Assets, except as provided in Section 413 of the Indenture (see “Special Program Fund” below). Pledged Property 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.

“Principal” means (a) with respect to the principal amount of a Deferred Interest Bond, the Appreciated Amount and (b) with respect to any other Bond, the stated principal amount.

“Program” means the residential mortgage finance program of the Authority financed by the Bonds.

“Program Fund” means the Fund of that name and Accounts in it established pursuant to the Indenture and Series Indentures.

“Rating” means at any date the then existing rating of Bonds by a Rating Agency and, with respect to any Series of Bonds which has a rating based on bond insurance or other credit support for that Series of Bonds, the then existing underlying rating of such Bonds, without regard to such bond insurance or other credit support, by such Rating Agency.

“Rating Agency” means any nationally recognized rating agency maintaining a rating of any 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 stating 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, suspended or withdrawn as a result of the Authority taking that action.

“Rebate Fund” means the Fund of that name established pursuant to the Indenture.

“Recovery(ies) of Principal” means any payment by a mortgagor or any other recovery of principal of a Mortgage Loan not applied to a scheduled installment of principal and interest on the Mortgage Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a Mortgage Loan). Recoveries of Principal include, without limitation, the portion of any Insurance Proceeds, Liquidation Proceeds, amounts from the sale or other disposition of a Mortgage Loan (including a purchase by the Authority with funds other than Pledged Property), or net recovery from Supplemental Mortgage Coverage to the extent not included in Insurance Proceeds, in each case representing such principal amounts. Recoveries of Principal also include any principal payments received on any Mortgage-Backed Security in excess of regularly scheduled payments of principal on the Mortgage Loans underlying such Mortgage-Backed

Security and include, without limitation, to the extent they exceed such regularly scheduled payments, amounts representing principal prepayments received on the Mortgage Loans underlying such Mortgage-Backed Security, amounts representing the principal portion of the repurchase price of such Mortgage Loans from the Mortgage-Backed Security, and the principal portion of proceeds of the sale or other disposition of a Mortgage-Backed Security (including a purchase by the Authority with funds other than Pledged Property).

“Redemption Account” means the Account of that name in the Revenue Fund established pursuant to the 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 the Indenture and the related Series Indenture.

“Reserve Fund” means the Fund of that name established pursuant to the 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. 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. The Reserve Requirement upon issuance of the Series 2025G/H Bonds will be zero dollars (\$0) (the Series Reserve Requirement with respect to the Series 2025G/H Bonds).

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate or associate of the Trustee (or other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively) within the corporate trust office specified in Section 1202.

“Revenue Fund” means the Fund of that name established pursuant to Section 401 of the Indenture.

“Revenues” means all money received by or on behalf of the Authority or Trustee representing (i) principal and interest payments on the Mortgage Loans and Mortgage-Backed Securities (including any payments received from GNMA pursuant to the GNMA Guaranty Agreement and from Fannie Mae or FHLMC pursuant to their respective guarantees of payment of Fannie Mae Securities and FHLMC Securities) including, without limitation, all Recoveries of Principal and all prepayment premiums or penalties received by or on behalf of the Authority in respect to the Mortgage Loans and Mortgage-Backed Securities, (ii) all Insurance Proceeds, (iii) all Hedge Payments by a counterparty with respect to a Series of Bonds except to the extent that the related Series Indenture or a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below provides for those Hedge Payments to be excluded from Revenues, and (iv) interest earnings received on the investment of amounts in any Account or Fund (other than the Special Program Fund, except to the extent specified in a Series Indenture). Except as provided in a Series Indenture, Revenues do not include any payment of interest on a Mortgage Loan to the extent to be used for paying mortgage insurance premiums or other fees for credit enhancement of the Mortgage Loan.

“Serial Bonds” means Bonds which are not Term Bonds.

“Series” means one of the series of Bonds issued under the Indenture pursuant to a Series Indenture.

“Series Indenture” means an indenture entered into by and between the Authority and the Trustee authorizing the issuance of a Series of Bonds. Series Indenture includes any indenture of the Authority amending a Series Indenture as provided in Section 1001(i) of the Indenture or the related Series Indenture.

“Series Program Accounts” means the Series Program Accounts in the Program Fund established by Series Indentures.

“Series Program Determinations” means any determinations by the Authority relating to Mortgage Loans or Mortgage-Backed Securities set forth in connection with a Series of Bonds under the Program (or provision to be determined at certain specified times in the future), as provided in a Series Indenture. Series Program Determinations shall be consistent with the Indenture. They may include, without limitation, (i) the security which may be provided for Mortgage Loans financed with amounts in the related Series Program Account, including the priority of the lien securing the Mortgage Loan; (ii) the principal and interest payment provisions for those Mortgage Loans; (iii) the maximum term to maturity of each Mortgage Loan; (iv) the nature of the residences to which the Mortgage Loans relate and limitations on who may be a mortgagor; (v) required credit standards and terms of any primary mortgage insurance or other credit support, if any, and the levels of coverage and applicable loan to value ratios, if appropriate; (vi) Supplemental Mortgage Coverage, if any; (vii) the characteristics of Mortgage-Backed Securities to be financed with amounts in the related Series Program Account; (viii) provisions for limiting or restricting use of Recoveries of Principal; and (ix) limitations on Expenses.

“Series Reserve Requirement” means an amount established by a Series Indenture as a component of the Reserve Requirement while Bonds of the Series 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. The Series Reserve Requirement with respect to the Series 2025G/H Bonds is zero dollars (\$0).

“Sinking Fund Requirement” 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 Requirements may be established as fixed dollar amounts or by formula.

“Special Program Fund” means the Fund so designated which is created and established pursuant to the Indenture.

“State” means the State of Illinois.

“Supplemental Mortgage Coverage” means the coverage, if any, whether in the form of insurance (including insurance provided by the FHA), Cash Equivalent or additional pledged funds, of losses from Mortgage Loan defaults provided in a Series Indenture which may supplement other mortgage insurance. Supplemental Mortgage Coverage may include any insurance or reserve fund (other than the Reserve Fund) funded or held by the Authority for the purpose of providing Supplemental Mortgage Coverage.

“Supplemental Indenture” means any indenture entered into by and between the Authority and the Trustee supplementing or amending the Indenture.

“Term Bonds” means the Bonds of a Series with respect to which Sinking Fund Requirements have been established.

“Trustee” means 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 in the Indenture or in accordance with the Indenture.

Issuance of Bonds (Section 201 of the Indenture)

For the purposes set forth in the Act, Bonds of the Authority may be issued under and secured by the Indenture. The Bonds shall be special limited obligations of the Authority with a claim for payment solely from Pledged Property. 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.

Limitation on Issuance of Bonds (Section 202 of the Indenture)

No Bonds may be issued under the provisions of the Indenture except in accordance with the provisions of Sections 201 through 211 of the Indenture.

Form of Bonds (Section 203 of the Indenture)

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 the 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.

Details of Bonds (Section 204 of the Indenture)

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 in 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. 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 (see the second paragraph under “THE SERIES 2025G/H BONDS – General” in this Official Statement), 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 operations office of the Trustee and payment of the interest on each Bond shall be made by the Trustee 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, 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 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.

Authentication of Bonds (Section 205 of the Indenture)

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, shall be entitled to any benefit or security under the Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication is duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under the Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued at any one time.

Exchange of Bonds (Section 206 of the Indenture)

Subject to, and in accordance with, Section 207 of the Indenture, Bonds, upon their surrender at the designated corporate trust operations office of the Trustee, 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, 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 the Indenture.

The Authority shall make provisions for the exchange of Bonds at the principal corporate trust office of the Trustee.

Negotiability, Registration and Registration of Transfer of Bonds (Section 207 of the Indenture)

The transfer of any Bonds may be registered only upon the books kept for that purpose upon their surrender to the Trustee 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. Upon any such registration of a Bond transfer, the Authority shall execute and the Trustee 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 the 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 shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any exchange or registration of transfer shall be cancelled by the Trustee. The Authority or, at the direction of the Authority, the Trustee 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.

Ownership of Bonds (Section 208 of the Indenture)

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.

Issuance of Bonds (Section 209 of the Indenture)

Each Series of Bonds shall be authorized and issued under and secured by the Indenture pursuant to the authorization contained in a 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 the Indenture), shall have such interest payment dates, shall be numbered and the Term Bonds of such Series shall have such Sinking Fund Requirements, all as may be provided by or determined in accordance with the Series Indenture for such Bonds. Subject to Section 1001(j) of the Indenture, and except as to any differences in the maturities or the interest payment dates or the rate or rates of interest or the provisions for redemption, such Bonds shall be on a parity with and shall be entitled to the same benefits and security under the Indenture as all other Bonds issued under the 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 such portion as determined by the applicable Series Indenture in addition to the security provided in the Indenture.

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 the Bonds of such Series are being issued, which shall be one or more of the following purposes: (a) the financing of Mortgage Loans, (b) the financing of Mortgage-Backed Securities, (c) the making of such deposits in amounts, if any, required by the Indenture or the Series Indenture to be paid into various Funds and Accounts, (d) the refunding of Bonds prior to their redemption or maturity dates, (e) the refunding of other Authority obligations or (f) other lawful purposes of the Authority as specified in the Series 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 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 Requirements;

(vii) 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;

(viii) the amounts to be deposited from the proceeds of such Series of Bonds in the Funds and Accounts created and established by the Indenture and the Series Indenture;

(ix) any Series Reserve Requirement, the extent to which the Reserve Requirement may be accumulated over time, the amounts, including proceeds of the Bonds of such Series, which shall be deposited in the Reserve Fund or used to acquire a Cash Equivalent for deposit in the Reserve Fund, and any limitation on investments of the Reserve Fund;

(x) the manner in which Bonds of such Series are to be sold and provisions for their sale;

(xi) the Series Program Determinations, if any;

(xii) whether there shall be any Hedge Agreement with respect to the Series of Bonds, any limitation of the inclusion of the related Hedge Payments by the counterparty in Revenues, and whether the related Hedge 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 212 of the Indenture);

(xiii) in the case of a Series of Bond issued to finance Mortgage-Backed Securities, the Pass-Through Rate for and maturity of each Mortgage-Backed Security or the method by which the Pass-Through Rate and maturity are to be determined; and

(xiv) any other provisions deemed advisable by the Authority not in conflict with the provisions of the Indenture.

The Bonds shall be executed substantially in the form and manner set forth above and shall be deposited with the Trustee for authentication. Before the Bonds of the Series shall be authenticated and delivered by the Trustee, there shall be on file with the Trustee the following:

(i) a copy of the Indenture and the Series Indenture duly certified by an Authorized Representative;

(ii) a Bond Counsel's Opinion stating in the opinion of such counsel that (a) the Indenture and the applicable Series Indenture have been duly authorized, executed and delivered by, and are valid and binding obligations of, the Authority and (b) the Bonds being issued are valid and legally binding special limited obligations of the Authority secured in the manner and to the extent set forth in the Indenture and the applicable Series Indenture and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained in the Indenture and the applicable Series Indenture;

(iii) a Cash Flow Statement conforming to the requirements of Section 607 of the Indenture (see "Cash Flow Certificates and Cash Flow Statements" below), accompanied, in the case of each Series other than the initial Series of Bonds, by a Rating Certificate; and

(iv) a request and authorization to the Trustee 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 (i) to (iv), inclusive, above in this paragraph have been filed with the Trustee and when the Bonds described in the Series Indenture mentioned in clause (i) above in this paragraph have been executed and authenticated as required by the Indenture, the Trustee 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 (iv) above in this paragraph, but only upon payment to the Trustee of the purchase price of those Bonds. The Trustee 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 the Indenture and the applicable Series Indenture.

Mutilated, Destroyed or Lost Bonds (Section 210 of the Indenture)

If any Bond is mutilated, destroyed or lost, the Authority shall cause to be executed, and the Trustee 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 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 indemnity reasonably satisfactory to them.

Hedge Agreements; Hedge Payments (Section 212 of the Indenture)

The Authority may from time to time enter into one or more Hedge Agreements with respect to one or more Series of Bonds, but only upon filing with the Trustee a Cash Flow Certificate or a Cash Flow Statement, as appropriate, accompanied by a Rating Certificate. Unless otherwise specified in the related Series Indenture, Hedge Payments payable by the Authority under any Hedge Agreement shall be payable from moneys on deposit in the Debt Service Account, on a parity with payments of interest on Bonds (see clause "first" in (i) and (ii) under "Pro Rata Application of Funds" below), or, if so provided in a Series Indenture, subordinate to payments of interest on Bonds (see clause "second" in (i) and (ii) under "Pro Rata Application of Funds" below). In no event shall any Hedge Payments be paid with any amounts drawn under a credit facility or bond insurance policy securing the related Bond or remarketing proceeds derived from the related Bonds. Hedge Payments may include premiums for insurance of the Authority's obligation to make such payments or reimbursement of payments under such insurance, as provided in the related Series Indenture.

Redemption of Bonds (Section 301 of the Indenture)

Except as otherwise stated in the related Series Indenture, money shall, upon an Authority Request to the Trustee, be applied by the Trustee 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, which shall be accompanied by a Cash Flow Statement if such basis is not consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

Except as otherwise provided in a Series Indenture, if less than all of the Term Bonds Outstanding of any one Series (or subseries, if applicable) and maturity bearing the same interest rate (and otherwise of like tenor) are purchased for cancellation or redeemed (other than in satisfaction of Sinking Fund

Requirements), 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 Requirements for the Term Bonds of such Series (and subseries, if applicable) and maturity bearing the same interest rate (and otherwise of like tenor) 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 bearing the same interest rate (and otherwise of like tenor) then Outstanding.

Establishment of Funds and Accounts (Section 401 of the Indenture)

The Indenture establishes the following Funds and Accounts:

- Program Fund
- Series Program Accounts
- Authority Program Accounts

- Revenue Fund
- Debt Service Account
- Recovery of Principal Account
- Redemption Account

- Reserve Fund

- Special Program Fund

- Rebate Fund

Additional Funds and Accounts (including Series Rebate Accounts in the Rebate Fund for the purpose of depositing amounts required to be rebated to the United States) may be created and designated in Series Indentures, including as described under “Issuance of Bonds” above. The full designation of each such Fund and Account shall include the term “Illinois Housing Development Authority Revenue Bonds,” which term shall precede the designation as set forth above. Each such Fund and Account shall be held by the Trustee, in trust, separate and apart from all other funds of the Authority, for the purposes provided in the Indenture. In Series Indentures or in 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 the Indenture for the purposes and period of time set forth in the applicable Series Indenture or Supplemental Indenture.

Program Fund (Section 402 of the Indenture)

For each Series of Bonds there shall be a Series Program Account. 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 Section 403 of the Indenture (see “Revenue Fund” below) and shall be credited to the Series Program Account as specified in the Authority Request directing the transfer.

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.

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 (i) finance Mortgage Loans (the characteristics of which conform to any Series Program Determinations applicable to that Series of Bonds), (ii) finance Mortgage-Backed Securities (the characteristics of which, and for which the characteristics of the Mortgage Loans in the pool underlying such Mortgage-Backed Security, conform to any Series Program Determinations applicable to that Series of Bonds), (iii) upon Authority Request consistent with Section 608 of the Indenture (see “Tax Covenants” below), to pay costs of Supplemental Mortgage Coverage with regard to those Mortgage Loans, or (iv) as otherwise provided in the applicable Series Indenture. As provided in a Series Indenture, the amount applied to finance a Mortgage Loan or Mortgage-Backed Security may exceed the sum of its outstanding principal amount and accrued interest. As provided in a Series Indenture, the Authority may use amounts in a related Series Program Account to acquire as Pledged Property Mortgage Loans and Mortgage-Backed Securities previously acquired by the Authority not as Pledged Property.

The Trustee shall transfer unexpended amounts in a Series Program Account to the Revenue Fund to the credit of the Redemption Account as specified by an Authority Request.

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 Pledged Property) 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 Mortgage Loans (the characteristics of which conform to the related Authority Program Determination), to finance Mortgage-Backed Securities (for which the characteristics of the Mortgage Loans in the pool underlying such Mortgage-Backed Security or Mortgage-Backed Securities conform to the related Authority Program Determinations), or, upon Authority Request, to pay costs of Supplemental Mortgage Coverage with regard to those Mortgage Loans or as otherwise provided in the applicable Authority Program Determination.

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.

The Trustee shall transfer amounts from the Program Fund to the Revenue Fund to the credit of the Debt Service Account as provided in Section 408 of the Indenture (see “Deficiencies in Debt Service Account” below).

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.

Revenue Fund (Section 403 of the Indenture)

The Authority shall transfer all Revenues to the Trustee within three business days following receipt. All Revenues received by the Trustee shall be deposited in the Revenue Fund. 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.

Except as provided in a Series Indenture, (i) the Authority shall identify and notify the Trustee in writing of the amount of any Revenues which are Recoveries of Principal and (ii) Recoveries of Principal shall be credited to the Recovery of Principal Account. Except as may be limited by a Series Indenture, amounts in the Recovery of Principal Account may be transferred at any time upon an Authority Request

to the Redemption Account or, upon filing with the Trustee a Cash Flow Certificate or Cash Flow Statement, as applicable, any Series Program Account or an Authority Program Account.

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 Mortgage Loan or Mortgage-Backed Security consistent with the related Series Indenture.

Upon their receipt, the Authority shall notify the Trustee as to any amounts which have been received for accrued interest with respect to Mortgage Loans or Mortgage-Backed Securities made or acquired from amounts which were expended from the 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.

On or prior to each debt service payment date (including any date of redemption pursuant to Sinking Fund Requirements or other mandatory redemption requirements that are payable from the Debt Service Account as provided in a Series Indenture) for any Bonds and each due date of Hedge Payments by the Authority that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below), the Trustee shall 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:

- (1) 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 Requirements or such other redemption requirements), due on the Bonds on such debt service payment date or Hedge Payment due date, to pay any fees due on or prior to such debt service payment date or Hedge Payment due date in connection with tender option features, letters of credit, standby bond purchase agreements and other forms of credit or liquidity related to Bonds as set forth in the Series Indenture or a Supplemental Indenture, and to pay any Hedge Payments that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below) and are due on such debt service payment date or Hedge Payment due date;
- (2) to the payment of (i) Expenses specified in a Series Indenture and (ii) such other Expenses as may be provided in an Authority Request accompanied by a Cash Flow Certificate or Cash Flow Statement, as applicable;
- (3) to the Reserve Fund, an amount sufficient to cause the amount on deposit in that Fund, including Cash Equivalents permitted by Section 407 of the Indenture (see “Reserve Fund” below), to equal the Reserve Requirement;
- (4) to the Redemption Account an amount as specified in an Authority Request;
- (5) to any Series Program Account or Authority Program Account in the Program Fund an amount as specified in an Authority Request accompanied by a Cash Flow Certificate or Cash Flow Statement, as appropriate; and
- (6) to the Authority, for any other purpose authorized or required under the Act free and clear of the pledge and lien of the Indenture. No such payment shall be made except upon filing of a Cash Flow Certificate or Cash Flow Statement, as appropriate.

At any time the Trustee shall, upon Authority Request, apply amounts in the Revenue Fund not credited to any Account in it or amounts in the Rebate Fund to make required rebates to the United States as required by the Code.

At any time the Trustee shall apply, upon an Authority Request, amounts in the Revenue Fund and not credited to any Account in it to the purchase of Bonds at the times, in the manner and for the purposes set forth in Section 405 of the Indenture (see “Purchase of Bonds from Revenue Fund” below).

At any time, upon Authority Request, amounts on deposit in the Revenue Fund may be applied to pay Expenses as specified in an Authority Request, accompanied by a Cash Flow Certificate or Cash Flow Statement.

Debt Service Account (Section 404 of the Indenture)

The Trustee shall, on each principal or interest payment date, date of redemption pursuant to Sinking Fund Requirements (or other mandatory redemption requirements that are payable from the Debt Service Account, as provided in a Series Indenture), and due date of Hedge Payments by the Authority that are payable from the Debt Service Account (as provided in a Series Indenture or Supplemental Indenture), apply amounts in the Debt Service Account to the payment of principal of and interest on the Bonds on that date and credit or liquidity fees and Hedge Payments as provided in Section 403 of the Indenture (see “Revenue Fund” above), as follows. The Trustee shall remit the interest due by mail (or other method of transfer acceptable to the Authority or as provided in a Series Indenture) to each Owner of 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 for paying that principal. The Trustee shall remit to any credit or liquidity provider, as described in Section 403 of the Indenture, its fees in connection with such credit or liquidity arrangement. The Trustee shall remit to the counterparty under a Hedge Agreement, as described in Section 403 of the Indenture, the Hedge Payments due to the counterparty under the Hedge Agreement. An Authorized Representative of the Authority shall advise the Trustee in writing regarding the amount of any such liquidity fees and Hedge Payments and when payment is due.

Purchase of Bonds from Revenue Fund (Section 405 of the Indenture)

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 Requirements on the next date in such Fiscal Year such payments are scheduled as provided in this Section. The Trustee, upon an Authority Request, shall endeavor to purchase from such amounts to be transferred to it by the Trustee 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 Requirements for Term Bonds of such Series then Outstanding at a price not to exceed the Redemption Price (plus accrued interest to the date of redemption) which would be payable on the next redemption date to the Owners of such Term Bonds under the provisions of the applicable Series Indenture if such Term Bonds or portions of Term Bonds should be selected for redemption on such date. However, subject to applicable law, notwithstanding the maximum purchase price set forth in the preceding sentence, if at any time the Trustee notifies the Trustee that the investment earnings on the money in the Revenue Fund and not credited to any Account in it available for such a purchase shall be less than the interest accruing on the Bonds to be redeemed on such date from such Sinking Fund Requirement, then the Trustee 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 certifies to the Trustee that the amount paid in excess of such Redemption Price is expected to be less than the interest which is expected to accrue on the Bond less any investment earnings on such available money during the period from the settlement date of the proposed purchase to the redemption date. 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. Term Bonds so purchased shall be delivered to the Trustee for cancellation.

Use of Amounts in Redemption Account for Purchase or Redemption (Section 406 of the Indenture)

The Trustee may at any time apply money deposited in the Revenue Fund to the credit of the Redemption Account for the purchase or redemption of Bonds as follows:

The Trustee, upon Authority Request, 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, at a price not to exceed the Redemption Price (plus accrued interest, if any, to the date of redemption) which would be payable on the next redemption date to the owners of such Bonds if such Bonds or portions of Bonds should be called for redemption. Such maximum purchase price may be exceeded, subject to applicable law, in accordance with the third sentence in Section 405 of the Indenture (see “Purchase of Bonds from Revenue Fund” above). Such Authority Request shall be accompanied by a Cash Flow Statement if such purchase is not consistent with the assumptions set forth in the most recently filed Cash Flow Statement. 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 after the Trustee 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.

The Trustee, upon Authority Request, shall call 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). Such Authority Request shall be accompanied by a Cash Flow Statement if such redemption is not consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

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 Cash Flow Certificate or Cash Flow Statement, as appropriate, or to the Revenue Fund and not in an Account.

Reserve Fund (Section 407 of the Indenture)

The Authority shall deposit amounts in the Reserve Fund as provided in the Series Indentures and as provided in Section 403 of the Indenture (see “Revenue Fund” above). The Trustee shall transfer money held in the Reserve Fund to the Debt Service Account, pursuant to Section 408 of the Indenture (see “Deficiencies in Debt Service Account” below). The Reserve Fund may be funded in whole or in part through Cash Equivalents either (i) delivered upon issuance of a Series of Bonds or (ii) as to which a Rating Certificate is filed with the Trustee. Amounts held in the Reserve Fund as of any date in excess of the Reserve Requirement, taking into account any such Cash Equivalents in the Reserve Fund, shall upon an Authority Request, be transferred to the Revenue Fund.

Deficiencies in Debt Service Account (Section 408 of the Indenture)

In the event that amounts in the Debt Service Account are insufficient, on any interest payment date, principal payment date, date of redemption pursuant to Sinking Fund Requirements (or other

mandatory redemption requirements that are payable from the Debt Service Account, as provided in a Series Indenture), or due date of Hedge Payments that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below), to pay the principal of and interest on the 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 Sinking Fund Requirements or such other mandatory redemption requirements, and to pay such Hedge 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:

- (1) Revenue Fund (not credited to any Account);
- (2) Recovery of Principal Account;
- (3) Redemption Account;
- (4) Reserve Fund;
- (5) Program Fund; and
- (6) 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 withdrawn as provided in this Section 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 withdrawn as provided in this Section to the extent that the Authority is contractually obligated to finance identified Mortgage Loans or Mortgage-Backed Securities acceptable for financing with amounts on deposit in such Series Program Account.

Money Sufficient to Purchase or Redeem Bonds (Section 409 of the 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 1101 of the Indenture (see “Defeasance” below).

Money Held in Trust (Section 410 of the Indenture)

All money which the Trustee has withdrawn or set aside for the purpose of payment of principal, interest or Redemption Price of any of the Bonds secured by the Indenture, either at their maturity or upon 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. Any money that is so set aside by the Trustee 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 shall have no responsibility with respect to such money.

Purchase, Redemption and Cancellation of Bonds (Section 411 of the Indenture)

Upon the retirement of any Bonds by purchase for cancellation or by redemption, the Trustee shall file with the Authority a statement briefly describing such Bonds and setting forth the date of their purchase for cancellation or their 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 from the Revenue Fund as Expenses as permitted by Section 403 of the Indenture (see “Revenue Fund” above). Subject to the immediately succeeding paragraph, 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 the Indenture shall be destroyed by the Trustee in accordance with its customary procedures. The Trustee 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.

Notwithstanding the immediately preceding paragraph, subject to applicable law, Bonds purchased with amounts in any Fund or Account under the 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 be resold rather than 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.

Exchange of Money and Securities (Section 412 of the Indenture)

Upon Authority Request, the Trustee shall exchange money and/or Investment Obligations on deposit in any Fund or Account for an equal amount of money and/or Investment Obligations on deposit in any other Fund or Account or in any fund or account held under another bond resolution or indenture of the Authority.

Special Program Fund (Section 413 of the Indenture)

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 under the Indenture. While on deposit in the Special Program Fund, such cash, securities, loans, investments or other property shall be held in trust pursuant to Section 501 of the Indenture (see “Security for Deposits” below) and pledged under the Indenture.

Notwithstanding the provisions of Section 502 of the Indenture (see “Investment of Money” below), 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 Investment Obligations 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.

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 408 (see “Deficiencies in Debt Service Account” above), 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.

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 the 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.

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 the 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 the Indenture to the Trustee in favor of the Outstanding Bonds.

Trustee Payment of Expenses (Section 414 of the Indenture)

The Authority grants to the Trustee, and the Trustee retains at all times, an ownership interest in the Pledged Property, sufficient to enable the Trustee to make any payments to be made by it as described under this heading. This ownership interest is not in limitation of the ability of the Authority to sell or otherwise dispose of Mortgage Loans and Mortgage-Backed Securities and to expend amounts in Funds and Accounts as provided in the Indenture. However, the right of the Trustee to use unexpended amounts in the Revenue Fund to make payments of Expenses, as described under this heading “Trustee Payment of Expenses,” shall have priority over any payment of amounts in the Revenue Fund to the Authority.

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 101 of the Indenture (see “Certain Definitions” above) 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 403 of the Indenture as described under “Revenue Fund” above) to pay any such Expenses other than general administrative expenses of the Authority, including, without limitation, the following:

- (i) any costs of maintaining Supplemental Mortgage Coverage as provided by the Indenture or any Series Indenture;
- (ii) the fees or expenses of the Trustee;
- (iii) costs of servicing Mortgage Loans and of realizing on any Mortgage Loan upon any default;

(iv) costs of maintaining all necessary records with respect to Pledged Property, preparing any necessary cash flow projections and complying with any covenant in the Indenture or any Series Indenture, including any tax covenant;

(v) any payments required to comply with any tax covenants; and

(vi) any other expenses determined by the Trustee, in its sole discretion, to be necessary or appropriate to maintain the value of the Pledged Property.

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 as described under this heading “Trustee Payment of Expenses.”

Any powers given the Trustee as described under this heading “Trustee Payment of Expenses” are in addition to and not in lieu of or in limitation on any other rights or remedies of the Trustee under the Indenture, except that to the extent Section 706 of the Indenture (see “Pro Rata Application of Funds” below) applies, payments received by the Trustee shall be applied as provided in Section 706 of the Indenture and not as described under this heading as described under this heading “Trustee Payment of Expenses.”

Security for Deposits (Section 501 of the Indenture)

Any and all money held by the Trustee under the Indenture, except as otherwise expressly provided in the Indenture, shall be held in trust, shall be applied only in accordance with provisions of the 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 the Indenture shall, until invested in Investment Obligations in accordance with Section 502 of the Indenture (see “Investment of Money” below), 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 (a) by lodging with a bank, trust company or national banking association 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 (b) if the furnishing of security as provided in clause (a) of this paragraph 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 the Indenture, for the Trustee to give security for any money which shall be represented by obligations purchased under the provisions of the Indenture as an investment of such money.

All money deposited with the Trustee pursuant to the Indenture shall be credited to the particular Account or Fund to which such money belongs.

Investment of Money (Section 502 of the Indenture)

Other than money deposited in the Special Program Fund, which shall be invested as provided in Section 413 hereof (see “Special Program Fund” above), money deposited under the 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 Investment Obligations 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 shall mature, or which shall be subject to redemption by the holder at the option of the holder, such that sufficient money will be available for the purposes intended. The Trustee may conclusively rely upon the Authorized Representative's written instructions as to the legality of the directed investments. In the absence of investment instructions from an Authorized Representative, the Trustee shall not be responsible or liable for keeping the moneys held by it under the Indenture fully invested in Investment Obligations.

Any Investment Obligations so purchased in any Account or Fund shall be deemed at all times to be part of such Account or Fund. Any interest paid on the investment in any Account or Fund (except the Rebate 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. 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 may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such transactions, including cash sweep account fees. 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, Investment Obligations 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.

Indenture to Constitute Contract (Section 601 of the Indenture)

The Indenture is a contract between the Authority and the Owners of the Bonds.

Security Interests (Section 602 of the Indenture)

The Authority pledges and assigns and grants a lien on and security interest in the Pledged Property as security for the payment of interest on and principal of and the redemption premium, if any, of the Bonds. The Pledged Property may be applied as provided in or pursuant to the Indenture.

Notwithstanding the assignment, pledge and grant in this Section, the Authority shall, if no Event of Default has occurred and is continuing, and except as may be provided in a Series Indenture, have the right to sell or dispose of Mortgage Loans and Mortgage-Backed Securities consistent with the provisions of the Indenture (including, but not limited to, Section 608 of the Indenture (see "Tax Covenants" below)) and shall have the right to restructure, enforce and forbear enforcement of Mortgage Loans in such manner as determined by the Authority in its discretion consistent with the provisions of the Indenture, including the ability to compromise, and release security for, Mortgage Loans.

Any pledge, assignment, lien and security interest made pursuant to the 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 all 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.

Except for the issuance of Bonds pursuant to the Indenture, the Authority shall not make or grant any pledge, assignment, lien or security interest in any Pledged Property which is senior to or on a parity with the security provided by the Indenture. Subject to the provisions of Section 1001 of the Indenture described in clause (x) under “Bondowners’ Consent Not Required” below, and except as expressly provided in or pursuant to the Indenture, all security for the Bonds under the 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, 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 the Indenture.

Payment of Principal, Interest and Premium (Section 603 of the Indenture)

The Authority covenants that it will promptly pay, but solely from Pledged Property, the principal of and interest, if any, on each and every Bond issued under the provisions of the Indenture at the places, on the dates and in the manner specified in the Indenture and those Bonds. The Authority covenants that it will pay, but solely from Pledged Property, 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.

Covenant to Perform Obligations Under the Indenture (Section 604 of the Indenture)

The Authority covenants that it will faithfully perform at all times all covenants, undertakings, stipulations, provisions and agreements contained in the Indenture, each Series Indenture and in each Bond.

Further Instruments and Actions (Section 605 of the Indenture)

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 the Indenture or any Series Indenture.

Maintenance of Security (Section 606 of the Indenture)

The Authority covenants that, except as otherwise expressly permitted by the Indenture or a Series Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of the money held for the credit of any Fund or Account created under the Indenture.

Cash Flow Certificates and Cash Flow Statements (Section 607 of the Indenture)

Prior to taking any of the following actions the Authority shall file with the Trustee a Cash Flow Certificate or a Cash Flow Statement, as appropriate, accompanied by a Rating Certificate:

- (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 described in clause (ix) under “Bondowners’ Consent Not Required” below;

- (iii) entering into any Hedge Agreement;
- (iv) remarketing any Bonds in connection with a change in tender period except as required at the time of their issuance; or
- (v) causing amounts to be transferred from Authority Program Accounts to the Authority.

Prior to taking any of the following actions, the Authority shall file with the Trustee either a Cash Flow Certificate or a Cash Flow Statement, as appropriate:

- (i) any purchase or redemption of Bonds (other than mandatory redemption pursuant to Sinking Fund Requirements, other mandatory redemptions as provided in a Series Indenture, purchases of Bonds as provided in Section 405 of the Indenture, and any purchase or redemption of Bonds that is consistent with the assumptions set forth in the most recently filed Cash Flow Statement);
- (ii) any withdrawal of amounts from the Revenue Fund pursuant to Section 405 of the Indenture to pay Expenses as described in (2)(ii) under “Revenue Fund” above, or to a Series Program Account or Authority Program Account as described in (6) under “Revenue Fund” above, or to the Authority free and clear of the pledge and lien of the Indenture as described in (6) under “Revenue Fund” above;
- (iii) any amendment or sale or other disposition of Mortgage Loans not in default or Mortgage-Backed Securities not in default that would cause the aggregate principal amount of the Mortgage Loans and Mortgage-Backed Securities amended or sold or disposed of since filing of the last Cash Flow Statement to exceed five percent (5%) of the aggregate principal amount of all Mortgage Loans and Mortgage-Backed Securities;
- (iv) any use of Recoveries of Principal with respect to Mortgage Loans or Mortgage-Backed Securities (other than Mortgage Loans or Mortgage-Backed Securities acquired solely with amounts in any Authority Program Account) for any use other than purchase or redemption of Bonds or payment of scheduled debt service;
- (v) any transfer of amounts from the Redemption Account to an Account of the Program Fund pursuant to Section 406 of the Indenture as described in the last paragraph under “Use of Amounts in Redemption Account for Purchase or Redemption” above;
- (vi) any payment of Expenses described in clause (ii) of the definition thereof in Section 101 of the Indenture (see “Certain Definitions” above); or
- (vii) making any material change not consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

A Cash Flow Certificate with respect to any action is a certificate of an Authorized Representative stating that the action is consistent with the assumptions set forth in the most recently filed Cash Flow Statement.

A Cash Flow Statement is a certificate of an Authorized Representative stating that each set of cash flow projections included in the certificate demonstrates that there will at all times be available sufficient amounts in the Funds and Accounts to pay timely all principal of and interest on the Bonds, and to make

when due all Hedge Payments that are payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below), and to fund the Reserve Fund to the Reserve Fund Requirement, and to pay Expenses described in clause (i) of the definition thereof in Section 101 of the Indenture (see “Certain Definitions” above), under the assumptions set forth in the Cash Flow Statement. A Cash Flow Statement may include a single set of cash flow projections or more than one set of cash flow projections, and each set of projections shall set forth the assumptions, which shall be consistent with the Authority’s reasonable expectations at the time such Cash Flow Statement is filed, as to actions to be taken pursuant to the Indenture and as to the characteristics and behavior of Pledged Property and of the Authority’s payment obligations under the Indenture, upon which such projections are based. Amounts credited to the Special Program Fund (other than amounts restricted to the payment of debt service on the Bonds) shall not be taken into account when preparing a Cash Flow Statement.

Tax Covenants (Section 608 of the Indenture)

The Authority shall at all times perform the applicable tax covenants contained in any applicable Series Indenture and in any tax certificate of the Authority related to a Series of Bonds.

Enforcement of Rights Under Mortgage Loans (Section 609 of the Indenture)

The Authority covenants to enforce all its rights and obligations under and pursuant to the Mortgage Loans as determined by the Authority in its discretion to be necessary to obtain payment as due, subject to the rights of the Authority under Section 602 of the Indenture as described in the second paragraph under “Security Interests” above, and to comply with the Act and all covenants with regard to federal income taxation of interest on those Bonds. The Authority agrees that the Trustee, in the name of the Authority, may enforce all rights of the Authority under and pursuant to the Mortgage Loans for and on behalf of the Bondowners pursuant to Section 704 of the Indenture (see “Enforcement of Remedies” below), whether or not an Event of Default exists. The Trustee shall be under no obligation to service the Mortgage Loans itself, but shall use its best efforts to obtain servicing for the Mortgage 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. This Section does not apply to Mortgage Loans that are included in the pool of loans with respect to which a Mortgage-Backed Security is issued.

Maintenance of Corporate Existence of Authority (Section 610 of the Indenture)

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 the Indenture and any Series Indenture.

Books and Records (Section 611 of the Indenture)

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 the 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.

On or before the tenth business day of each month the Trustee shall furnish to the Authority in accordance with Section 806 of the Indenture (see “Monthly Statements from Trustee” below) a written statement of the Funds and Accounts held pursuant to the Indenture and any Series Indenture.

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 the first paragraph above, and such books shall be available for inspection by the Trustee and any Bondowner during business hours and upon reasonable notice.

Annual Audit (Section 612 of the Indenture)

The Authority shall annually, within 180 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 Bondowners. 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.

Program Covenants (Section 613 of the Indenture)

The Authority covenants (a) that no Mortgage Loan shall be financed by the Authority under the Indenture unless the Mortgage Loan complies in all respects with the Act in effect on the date of financing and (b) to comply with the applicable Series Program Determinations and Authority Program Determinations.

Notice of an Event of Default (Section 614 of the Indenture)

The Authority shall promptly notify the Trustee in writing of the occurrence of an Event of Default.

Mortgage-Backed Securities (Section 615 of the Indenture)

Each Mortgage-Backed Security acquired by the Trustee on behalf of the Authority shall be held at all times by the Trustee or its designee in trust for the benefit of the Owners of the Bonds and shall be held in book-entry form as described in this paragraph. A Mortgage-Backed Security will be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the Mortgage-Backed Security shall have been registered on the books of the New York or other branch of the Federal Reserve Bank in the name of the Trustee or a depository acting on its behalf (in either case, acting as a "Participant" as defined in 31 CFR §357.2, as made applicable to 24 CFR Part 81 and 24 CFR Part 350); and if held by a depository, the Trustee shall have received confirmation in writing that the Depository is holding such Mortgage-Backed Security on behalf of, and has identified such Mortgage-Backed Security on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice of payment from the depository with respect to a Mortgage-Backed Security when due by the close of business on the day of the month specified in such Mortgage-Backed Security (or the next business day if the day so specified is not a business day), the Trustee shall make demand by telephone for payment in immediately available funds from the issuer of the Security (in the case of Fannie Mae Securities or FHLMC Securities) or from GNMA in the case of GNMA Securities in accordance with the terms of the Mortgage-Backed Security, the GNMA Guaranty Agreement (in the case of GNMA Securities) or the guaranties made by Fannie Mae or FHLMC (in the case of Fannie Mae Securities and FHLMC Securities, respectively). Notwithstanding the foregoing provisions of this paragraph, in the case of a Mortgage-Backed Security that is a participation interest in a Fannie Mae Security, an FHLMC Security or a GNMA Security pursuant to a Participation Agreement, such Fannie Mae Security, FHLMC Security or GNMA Security may be held in book-entry form as provided in this paragraph by a party to the Participation Agreement other than the Trustee and, if so held, the Participation Agreement shall require such other party to make the demand referred to in this paragraph.

The Authority will take whatever action is required by law from time to time to pledge the Mortgage-Backed Securities to the Trustee.

The Authority shall diligently enforce and shall take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage-Backed Securities, including but not limited to the prompt payment of all amounts due to the Authority under the Mortgage-Backed Securities. The Authority shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority under or with respect to each Mortgage-Backed Security. This Section shall not be construed to prevent the Authority from settling a default on any Mortgage-Backed Security on such terms as the Authority shall determine to be in the best interest of the Authority and the Owners of the Bonds.

The Trustee shall diligently enforce all terms, covenants and conditions of the Mortgage-Backed Securities. The Trustee shall duly and punctually exercise its rights under the applicable GNMA Guaranty Agreements, guaranties by Fannie Mae of Fannie Mae Securities and guaranties by FHLMC of FHLMC Securities. The Trustee shall in a timely manner give all notices and take all actions necessary to preserve and protect the respective guaranties of the Mortgage-Backed Securities.

Extension of Maturities or Claims for Interest (Section 701 of the Indenture)

Neither the Trustee nor the Authority shall consent or agree directly or indirectly to extend the time for payment of any principal of or interest on any Bond. 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 the Indenture to the benefit or security of the 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.

Events of Default (Section 702 of the Indenture)

An “Event of Default” occurs if:

- (i) payment of interest on or the principal or Redemption Price of any of the Bonds is not made when due and payable; or
- (ii) default in the due and punctual performance of any other covenants or agreements contained in the Bonds or in the 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.

Acceleration of Maturity (Section 703 of the Indenture)

Upon the happening and continuance of any Event of Default described in clause (i) under “Events of Default” above (except as may be limited in a Series Indenture, as described in the last paragraph under “Enforcement of Remedies” below), then and in every such case the Trustee may and, subject to Section 802 of the Indenture, upon the written direction of the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds 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 the 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 the 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 the 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 the 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.

Enforcement of Remedies (Section 704 of the Indenture)

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 802 of the Indenture (see "Trustee Entitled to Indemnity" below), to protect and enforce its rights and the rights of the Bondowners under applicable laws or under the 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 the Indenture or in aid or execution of any power granted in the 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 the Indenture the Trustee shall be entitled (1) 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 the 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 the Indenture and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and (2) to recover and enforce any judgment or decree against the Authority, but solely as provided in the Indenture, the Series Indenture, and in 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.

Regardless of the happening of an Event of Default, the Trustee may, and, subject to Section 802 of the Indenture (see "Trustee Entitled to Indemnity" below), if requested in writing by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds, shall institute and maintain such suits and proceedings as it may be advised are necessary or expedient (i) to prevent any impairment of the Pledged Property by any acts which may be unlawful or in violation of the Indenture or

of any Series Indenture or (ii) to preserve or protect the interest of the Bondowners, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of Bonds not making such request.

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.

Trustee May File Claim in Bankruptcy (Section 705 of the Indenture)

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,

(i) 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

(ii) 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 802 and 805 of the Indenture (see “Trustee Entitled to Indemnity” and “Compensation and Indemnification of Trustee” below).

Pro Rata Application of Funds (Section 706 of the Indenture)

Notwithstanding anything in the Indenture to the contrary, if at any time the money in the Funds and Accounts maintained under the 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 703 of the Indenture as described under “Acceleration of Maturity” above) and Hedge Payments payable from the Revenue Fund (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below) that are then due and payable, 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 Section 802 and 805 of the Indenture (see “Trustee Entitled to Indemnity” and “Compensation and Indemnification of Trustee”

below) and payment of such Expenses as the Trustee concludes shall enhance the value of the Pledged Property, as follows:

(i) if the principal of all the 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 of interest (except interest on overdue principal) on Bonds, and Hedge 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 as described in clause (ix) under “Bondowners’ Consent Not Required” below), then accrued and unpaid in the chronological order in which such installments of interest and such Hedge Payments accrued and, if the amount available is not sufficient to pay in full any particular installment of interest and all such Hedge 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 Hedge Payments accruing on the same date as such installment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and the Hedge Agreements under which such Hedge Payments are due;

second: to the payment of all Hedge Payments that are subordinate to payment of interest on Bonds (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below) and are then accrued and unpaid in the chronological order in which such Hedge Payments accrued and, if the amount available is not sufficient to pay in full all such Hedge Payments accruing on any date, then to the payment, ratably, according to the amounts of such Hedge 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 Hedge Agreements under which such Hedge Payments are due;

third: to the payment of the unpaid principal of any of the Bonds which have become due and payable (except Bonds selected for redemption for the payment of which, money is held pursuant to the provisions of the 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 at the respective rates specified in such Bonds from the respective dates upon which such Bonds became due and payable, and, if the amount available is not sufficient to pay in full the principal of the 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 without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

fourth: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of the Bonds, all in accordance with the provisions of Article III of the Indenture.

(ii) 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 and Hedge 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 as described in clause (ix) under “Bondowners’ Consent Not Required” below) and are then accrued and unpaid, without preference or priority of principal over interest or of interest over principal, or of principal and interest over such Hedge Payments or of such Hedge Payments over principal and interest, or of any daily accrual of interest or Hedge Payments over any other daily accrual of interest or Hedge Payments, or of any Bond or Hedge Payment over any other Bond or Hedge Payment, ratably, according to the amounts due respectively for principal, interest and Hedge Payments, without any discrimination or preference except as to the respective rates of interest specified in the Bonds and the Hedge Agreements under which such Hedge Payments are due;

second: to the payment of all Hedge Payments that are subordinate to payment of interest on Bonds (as provided in a Series Indenture or in a Supplemental Indenture as described in clause (ix) under “Bondowners’ Consent Not Required” below) and are then accrued and unpaid, without preference or priority of any daily accrual Hedge Payments over any other daily accrual of Hedge Payments, or of Hedge Payment over any other Hedge Payment, ratably, according to the amounts due, without any discrimination or preference except as to the respective rates of interest specified in the Hedge Agreements under which such Hedge Payments are due.

(iii) 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 703 of the Indenture (see “Acceleration of Maturity” above), then, subject to the provisions of paragraph (ii) above 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 and the Reserve Fund, together with any other money held by the Trustee under the Indenture, shall be applied in accordance with the provisions of paragraph (i) above.

The provisions of paragraphs (i), (ii) and (iii) above are in all respects subject to the provisions of Section 701 of the Indenture (see “Extension of Maturities or Claims for Interest” above).

Whenever money is to be applied by the Trustee as described under this heading “Pro Rata Application of Funds,” 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 the 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.

Effect of Discontinuance of Proceedings (Section 707 of the Indenture)

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 the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Owners of Majority in Principal Amount of Bonds May Control Proceedings (Section 708 of the Indenture)

Notwithstanding anything in the Indenture to the contrary, the Owners of a majority in principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of Sections 711 and 802 of the Indenture (see “Limitation on Trustee’s Acquisition of Real Estate” and “Trustee Entitled to Indemnity” below), 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 the 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 the preceding sentence shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

Restrictions Upon Actions by Individual Bondowners (Section 709 of the Indenture)

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 the 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 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 the 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. 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 the Indenture or to any other remedy under it. However, notwithstanding the foregoing provision of this paragraph, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners of Bonds. Except as otherwise above provided, no one or more Owners of the Bonds secured by the Indenture shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under it except in the manner provided in the 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 the Indenture to the rights and remedies provided.

Notwithstanding the immediately preceding paragraph, nothing in Sections 701 through 716 of the Indenture 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.

Actions by Trustee (Section 710 of the Indenture)

All rights of action under the 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 the 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 the Indenture, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Pledged Property, 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.

Limitation on Trustee's Acquisition of Real Estate (Section 711 of the Indenture)

The Trustee shall not acquire possession of or take any other action with respect to any real estate securing any Mortgage Loan, 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:

- (i) 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
- (ii) 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 paid by the Authority or paid from the Pledged Property (as Expenses).

No Remedy Exclusive (Section 712 of the Indenture)

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 the Indenture or by law.

No Delay or Omission Construed to be a Waiver (Section 713 of the Indenture)

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 the 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.

Waiver of Defaults (Section 714 of the Indenture)

The Trustee, upon written direction of the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, 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 the Indenture or before the completion of the enforcement of any other remedy under the 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.

Notice of an Event of Default (Section 715 of the Indenture)

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 708 of the Indenture (see “Owners of Majority in Principal Amount of Bonds May Control Proceedings” above), 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.

Right to Appoint Statutory Trustee Abrogated (Section 715 of the Indenture)

In accordance with the provisions of Section 17 of the Act, Sections 25 and 26 of the Act shall not apply to the Bonds.

Acceptance of Trusts and Duties (Section 801 of the Indenture)

The Trustee accepts the duties and obligations and agrees to execute the trusts imposed upon it by the Indenture but only upon the terms and conditions set forth in this Article and subject to the provisions of the 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 the Indenture and to perform such trusts as an ordinarily prudent trustee under a bond indenture. No implied covenants or obligations should be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee shall, subject to Section 802 of the Indenture, exercise such of the rights and powers vested in it by the 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.

Trustee Entitled to Indemnity (Section 802 of the Indenture)

The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under the 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), 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 Pledged Property (as Expenses), the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection with such action.

Limitation of Obligations and Responsibilities of Trustee (Section 803 of the Indenture)

The Trustee shall be under no obligation (a) 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, (b) to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur or (c) 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 the 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 shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment by the Authority of the Indenture, or in respect of the validity of the Bonds or their due execution or issuance. The Trustee shall be under no obligation to see that any duties imposed upon the Authority or any party other than itself, or any covenants on the part of any party other than itself to be performed, be 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 may execute any of the trusts or powers of the Indenture and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct in accordance with the standard specified above and the Trustee shall be entitled to advice of counsel concerning all matters of trusts and duties under the Indenture, and may pay reasonable compensation to any lawyer or agent retained by it under the Indenture. The Trustee 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 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 the 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 the 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 shall, until used or applied or invested as provided in the 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 the Indenture or a Series Indenture. The Trustee shall not be under any liability for interest on any money received under the Indenture except such as may be agreed upon with the Authority.

Trustee Not Liable for Failure of Authority to Act (Section 804 of the Indenture)

The Trustee 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 the Indenture and Series Indentures. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, attorneys and agents.

Compensation and Indemnification of Trustee (Section 805 of the Indenture)

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 Pledged Property (as Expenses), 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 which it may incur in the exercise and performance of its powers and duties. Such indemnification shall survive any resignation or removal of the Trustee.

Monthly Statements from Trustee (Section 806 of the Indenture)

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:

- (i) 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 the Indenture,
- (ii) the amount on deposit with it at the end of such month to the credit of each Fund and Account,
- (iii) a brief description of all Investment Obligations held by it in each such Fund and Account,
- (iv) 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
- (v) 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.

Trustee May Rely on Certificates (Section 807 of the Indenture)

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 the 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 the 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 the 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.

Notice of Default (Section 808 of the Indenture)

Except upon the happening of any Event of Default described in clause (i) under “Events of Default” above, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default unless 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. Such notice must, in order to be effective, be delivered to a Responsible Officer of the Trustee at the corporate trust office of the Trustee referred to in Section 1202 of the Indenture (see “Manner of Giving Notice” below), and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default.

Trustee May Deal in Bonds (Section 809 of the Indenture)

The bank, trust company or national banking association acting as Trustee under the 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 the 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 under the 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 the Indenture. No implied covenant shall be read into the Indenture against the Trustee in respect of such matters.

Trustee Not Responsible for Recitals (Section 810 of the Indenture)

The recitals, statements and representations contained in the Indenture and in the Bonds (excluding the 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 Trustee, and the Trustee assume and shall be under no responsibility for their correctness.

Trustee Protected in Relying on Certain Documents (Section 811 of the Indenture)

The Trustee or Fiscal 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 the Indenture or any Series Indenture, upon any indenture, 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 the Indenture or any Series Indenture, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee, as applicable, to be qualified in relation to the subject matter, and the Trustee 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 shall not be under any obligation to see to the recording or filing of the Indenture or any Series Indenture.

Notwithstanding anything to the contrary in the Indenture, the Trustee shall accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Indenture and any Series Indenture and complying with the requirements of the 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.

Resignation and Removal of Trustee Subject to Appointment of Successor (Section 812 of the Indenture)

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to Sections 801 through 816 of the Indenture shall become effective until the acceptance of appointment by the successor Trustee under Section 815 of the Indenture (see “Appointment of Successor Trustee” below).

Resignation of Trustee (Section 813 of the Indenture)

Subject to Section 812 of the 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.

Removal of Trustee (Section 814 of the Indenture)

Subject to Section 812 of the Indenture, the Trustee may be removed at any time upon not less than 30 days’ 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 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 812 of the Indenture, the Trustee may also be removed at any time upon not less than 30 days’ notice 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. Subject to Section 812 of the Indenture, the Trustee may be removed at any time by the Authority upon not less than 30 days’ notice if no Event of Default has occurred and is continuing.

Appointment of Successor Trustee (Section 815 of the Indenture)

If at any time the Trustee resigns (subject to Section 812 of the Indenture), is removed (subject to Section 812 of the Indenture), or is dissolved or otherwise becomes incapable of acting, or the bank, trust company or national banking association acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee shall become vacant. If the position of Trustee becomes vacant, 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 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 the Indenture shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, 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.

Vesting of Trusts in Successor Trustee (Section 816 of the Indenture)

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 805 of the Indenture, 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 the 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, trust company or national banking association, having power to perform the duties and execute the trusts of the Indenture and otherwise qualified to act as Trustee, with or into which the bank, trust company or national banking association acting as Trustee may be merged, converted or consolidated, or to which all or substantially all of the corporate trust assets and business of such bank, trust company or national banking association may be sold or transferred, shall be deemed the successor of the Trustee and shall be vested with all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor, without the execution or filing of any instrument or further act, deed or conveyance on the part of the Authority, the predecessor Trustee or the successor Trustee.

Execution of Instruments by Bondowners, Proof of Ownership of Bonds and Determination of Concurrence of Bondowners (Article IX of the Indenture)

Any request, direction, consent or other instrument in writing required or permitted by the 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 the 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:

- (i) 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.

(ii) The ownership of Bonds is proved by the registration books kept under the provisions of Section 207 of the Indenture.

Nothing contained in Article IX of the Indenture 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 Article IX of the Indenture, 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.

Bondowners' Consent Not Required (Section 1001 of the Indenture)

The Authority may, from time to time and at any time, execute Supplemental Indentures:

- (i) to cure any ambiguity or defect or omission in the Indenture; or
- (ii) 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
- (iii) to include as Revenues or Pledged Property any additional amounts, receipts or property; or
- (iv) 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 the Indenture, provided such action shall not materially adversely affect the interest of the Bondowners; or
- (v) to add to the covenants and agreements of the Authority in the 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
- (vi) to modify any of the provisions of the Indenture in any respect whatever not otherwise set forth in this Section 1001, 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
- (vii) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification of the 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

(viii) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the 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 the Indenture or a Series Indenture; or

(ix) to amend in any manner consistent with Section 608 hereof any provisions in a Series Indenture for (i) a Series Reserve Requirement, (ii) the Series Program Determinations, (iii) the payment of Hedge Payments on a Hedge Agreement relating to that Series of Bonds from the Revenue Fund (and the priority of their payment as set forth in Section 212 of the Indenture), or (iv) the extent to which Hedge 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 Cash Flow Statement, 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

(x) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as is necessary or desirable to provide for the issuance of Bonds with a claim for payment from Pledged Property which is subordinate to the claim of other Bonds, including to provide for a trustee with respect to any such subordinate Bonds; or

(xi) 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.

Supplements and Amendments Requiring Consent (Section 1002 of the Indenture)

The Indenture may be modified, supplemented or amended by a Supplemental Indenture in ways not described in Section 1001 of the Indenture, pursuant to Section 1002 of the Indenture. No such Supplemental Indenture shall be effective except upon the consent of (i) the Owners of greater than fifty percent (50%) in aggregate principal amount of Outstanding 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 so affected then Outstanding; and (iii) in case the terms of any Sinking Fund Requirements are changed, of the Owners of greater than fifty percent (50%) in principal amount of the Outstanding Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Requirements. 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 (if any) or the rate of interest on it, or (c) create or grant a pledge, assignment, lien or security interest of the Pledged Property, or any part of it, other than as created or permitted by the 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 the 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, maturity and interest rate 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 the Indenture if it adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether Bonds of any particular Series, maturity and interest rate would be affected by any modification, supplement

or amendment of the 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 paragraph, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as described under this heading "Supplements and Amendments Requiring Consent."

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 greater than fifty percent (50%) in aggregate principal amount of the affected Outstanding Bonds, 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.

Supplements and Amendments Deemed Part of Indenture (Section 1003 of the Indenture)

Any Supplemental Indenture executed in accordance with the provisions of Sections 1001 through 1004 of the Indenture shall form a part of the 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 the Indenture.

Notation on Bonds (Section 1004 of the Indenture)

Bonds authenticated and delivered after the effective date of any action taken as provided in Sections 1001 through 1004 of the Indenture 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 his Bond for the purpose at the principal 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, maturity and interest rate then Outstanding.

Defeasance (Section 1101 of the Indenture)

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 the 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 the Indenture which are no longer required for the payment or redemption of Bonds not already then surrendered for such payment or redemption.

Bonds for the payment or redemption of which money has been set aside and held in trust by the Trustee (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 the immediately preceding paragraph. 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 the immediately preceding paragraph if:

- (i) there is deposited with the Trustee 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 the Trustee 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 Trustee irrevocable instruction to give any required notice of redemption, which instruction the Trustee 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 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 paragraph, 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.

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.

Unclaimed Money (Section 1102 of the Indenture)

Anything in the 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.

Successorship of Authority; Effect of Covenants; Construction of Indenture (Section 1201 of the Indenture)

All covenants, stipulations, obligations and agreements of the Authority contained in the 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 the 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 the Indenture and Series Indentures.

Manner of Giving Notice (Section 1202 of the Indenture)

Any notice, demand, direction, request or other instrument authorized or required by the 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 the Indenture and a Series Indenture if and when it is (i) in writing, delivered by hand to, or sent by first class mail, postage prepaid, return receipt requested, or by any delivery service which provides receipt for delivery, addressed to, as the case may be, except as changed by notice from time to time: the Director of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601, or the corporate trust office of the Trustee in Chicago, Illinois (or, in the case of a successor Trustee, 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) except as described in the second paragraph under "Trustee Protected in Relying on Certain Documents" below, 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 the 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.

Parties and Bondowners Alone Have Rights Under Indenture (Section 1203 of the Indenture)

Except as otherwise expressly provided, nothing in the Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Authority, the Trustee, and the Owners of the Bonds any right, remedy or claim, legal or equitable, under or by reason of the Indenture. The Indenture and all its provisions is for the sole and exclusive benefit of the Authority, the Trustee and the Owners from time to time of the Bonds.

Effect of Partial Invalidity (Section 1204 of the Indenture)

In case any one or more of the provisions of the 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 the Indenture, any Series Indenture or the Bonds. The 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 the 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.

Substitute for Mailing (Section 1205 of the Indenture)

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 the 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.

Payment Due or Acts to be Performed on Weekends and Holidays (Section 1207 of the Indenture)

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 the 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 and not a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in the Indenture.

Separately-Secured Bonds (Section 1209 of the Indenture)

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 Revenue Bonds" but shall be subject to Section 1209 of the Indenture (each such indenture and the bonds of such series, a "Separately-Secured Indenture" and "Separately-Secured Bonds," respectively).

Separately-Secured Bonds shall not be considered Bonds for any purpose of the Indenture or any Series Indenture. No Pledged Property under the 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 the Indenture or any Series Indenture by reason of ownership of a Separately-Secured Bond.

With respect to each Separately-Secured Indenture and the related Separately-Secured Bonds, 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 the 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 the Indenture and any Series Indenture or (y) any Expenses or Hedge Payments under the 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.

APPENDIX E

GNMA, FANNIE MAE AND FHLMC PROGRAMS

Neither the Authority nor the Underwriters makes any representation as to the accuracy or adequacy of the information contained below relating to GNMA, Fannie Mae or FHLMC and their respective Mortgage-Backed Securities programs.

GNMA and the GNMA Certificates

The summary and explanation of the Government National Mortgage Association (“GNMA” or “Ginnie Mae”), GNMA’s mortgage-backed securities program and the other documents referred to herein do not purport to be complete. Reference should be made to the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3, Rev. 1 (the “GNMA Guide”) and to said documents for a full and complete statements of their provisions. At the time of printing this Official Statement, the GNMA Guide can be accessed at https://www.ginniemae.gov/issuers/program_guidelines/Pages/mbs_guide.aspx, and general information regarding GNMA can be accessed at <http://www.ginniemae.gov>. The Illinois Housing Development Authority (the “Authority”) makes no representations regarding the content or accuracy of the information provided at either of such websites, and such websites are not part of this Official Statement. Further, the procedures and fees described below and in the GNMA Guide are those currently in effect and are subject to change at any time by GNMA.

GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”), with its principal office in Washington, D.C. GNMA’s powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 et seq.).

GNMA is authorized by Section 306(g) of Title III of the National Housing Act, as amended, to guarantee the timely payment of principal of and interest on securities (“GNMA Certificates” or “GNMA Securities”) that are based on and backed by trusts or pools composed of mortgages that are insured or guaranteed by (i) the Federal Housing Administration (“FHA”); (ii) the Department of Veterans Affairs; (iii) the Department of Agriculture under the Rural Development (“RD”) program; or (iv) guaranteed by HUD under Section 184 of the Housing and Community Development Act of 1992, as amended, and administered by the Office of Public and Indian Housing (“PIH”). The GNMA Certificates are issued by approved servicers. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated December 9, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed certificates of the type being delivered to the Trustee on behalf of the Authority (“GNMA Guaranty Agreements”) are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.” In order to meet its obligations under such guaranties, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA to carry out its functions under Section 306. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970 from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement GNMA’s guaranties. Under the terms of its guaranties, GNMA warrants that, in the event it is called upon at any time to make payment on its guaranties, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

GNMA administers two Mortgage-Backed Securities programs: the “Ginnie Mae I MBS Program” and the “Ginnie Mae II MBS Program.” The Ginnie Mae I MBS Program is based on single-issuer pools in which the underlying mortgage loans generally bear the same interest rate. Ginnie Mae I payments are made to holders on the 15th day of each month. The Ginnie Mae II MBS Program permits multiple-issuer as well as single-issuer pools. Loans with different interest rates, within a one percent range, may be included in the same pool or loan package under the Ginnie Mae II MBS Program. Ginnie Mae II MBS payments are made to holders on the 20th day of each month.

To issue GNMA Certificates, the Servicer must apply for and receive from GNMA a Commitment to Guarantee Mortgage-Backed Securities (“GNMA Commitment”). A GNMA Commitment authorizes the Servicer to issue GNMA Certificates up to a stated amount during a one year period following the date thereof. The Servicer is obligated to pay GNMA commitment fees and guaranty fees.

Each GNMA Certificate is to be backed by a mortgage pool consisting of mortgage loans. Each GNMA I Certificate will be a “modified pass-through” security which will require the Servicer to pass through to security holders by the fifteenth day of each month (or, in the case of a depository as security holder of book-entry securities, the next business day, if fifteenth day is not a business day), the regular monthly payments on the mortgage loans (less the GNMA guaranty fee and the Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the mortgage loans received by the Servicer in the previous month. Each GNMA II Certificate will require the Servicer to pass through to a central paying and transfer agent for the GNMA II Program (the “GNMA Paying Agent”), by the nineteenth day of each month, in the case of certificated securities, (or the twentieth day, if such nineteenth day is not a business day, provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), or, in the case of book-entry securities, by the twentieth day of each month (or the next business day, if the twentieth day is not a business day) the regular monthly payments on the mortgage loans (less the GNMA guaranty fee and the Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the mortgage loans received by the Servicer in the previous month. The GNMA Paying Agent is then required to pass through to the security holder the scheduled payments received from the Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA, upon execution of the GNMA Guaranty Agreement (defined below), issuance of a GNMA Certificate by the Servicer and subsequent sale of such GNMA Certificate to the Trustee, will have guaranteed to the Trustee as holder of such GNMA Certificate the timely payment of principal of and interest on such GNMA Certificate.

Under contractual arrangements to be made between the Servicer and GNMA, and pursuant to the GNMA Guaranty Agreement, the Servicer is responsible for servicing the mortgage loans constituting GNMA Pools in accordance with FHA, RD or VA regulations, as applicable, and GNMA regulations.

It is expected that interest and principal payments on the mortgage loans received by the Servicer will be the source of money for payments on the GNMA Certificates. If such payments are less than the amount then due, the Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments on the GNMA Certificates. GNMA guarantees such timely payment in the event of the failure of the Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors). If such payments are not received as scheduled the Trustee has recourse directly to GNMA.

The Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA as guarantor will be able to continue such payments as scheduled in accordance with the GNMA Guide.

The GNMA guaranty agreement to be entered into by GNMA and the Servicer upon issuance of the GNMA Certificates (the “GNMA Guaranty Agreement”) generally will provide that, upon any default by the Servicer and the payment under its guaranty by GNMA or any failure of the Servicer to comply with the terms of the GNMA guaranty agreement with GNMA, GNMA shall have the right, by letter to the Servicer, to effect and complete the extinguishment of the Servicer’s interest in the related mortgage loans, and the related mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Certificates. In such event, all power and authority of the Servicer with respect to the servicing of such GNMA Pools, including the right to collect the servicing fee, also will terminate and expire. The authority and power of the Servicer under the terms of the GNMA Guide will be required to pass to and be vested in GNMA, and GNMA will be the successor in all respects to the Servicer in its capacity as servicer, and will be subject to all duties placed on the Servicer by the GNMA Guide. At any time, GNMA may enter into an agreement with an institution approved by GNMA under which such institution undertakes and agrees to assume any part or all of such duties, and no such agreement will detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor.

Fannie Mae and the Fannie Mae Certificates

The summary and explanation of the Federal National Mortgage Association (“Fannie Mae”), Fannie Mae’s mortgage-backed securities program and the other documents referred to in this Appendix do not purport to be complete. Reference is made to said documents for full and complete statements of their provisions. Said documents and the MBS Program (defined below) are subject to change at any time by Fannie Mae. At the time of printing this Official Statement, general information regarding Fannie Mae can be accessed at <http://www.fanniemae.com>. The Authority makes no representations regarding the content or accuracy of the information provided at such website, and such website is not part of this Official Statement.

Fannie Mae is a government-sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. §1716 *et seq.*). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. Fannie Mae became a stockholder-owned and privately managed corporation in 1968. Fannie Mae is subject to the supervision and regulation of the FHFA to the extent provided in HERA. The Secretary of HUD also exercises regulatory power over Fannie Mae. Furthermore, Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the FHFA, succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. The Authority cannot predict the long term consequences of the conservatorship of this entity and the corresponding impact on the participants and the Program.

Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. Fannie Mae operates a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the “MBS Program”). As of June 3, 2019, the Fannie Mae Certificates are Uniform Mortgage-Backed Securities (“UMBS”).

The obligations of Fannie Mae, including its obligations under the Fannie Mae Certificates and any UMBS issued by Fannie Mae, are obligations solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States of America.

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the “Fannie Mae Guides”), as modified by the Pool Purchase Contract, and in the case of mortgage loans such as the Mortgage Loans, a Master Trust Agreement (the “Trust Agreement”), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in the MBS Prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”). The Fannie Mae Prospectus is updated and supplemented from time to time.

Copies of the Fannie Mae Prospectus and Fannie Mae’s most recent annual and quarterly reports and proxy statements are available without charge from the Office of Fixed Income Securities Marketing, Fannie Mae, Attention: Fixed-Income Securities Marketing, 1100 15th Street, NW, Washington, DC 20005. At the time of printing this Official Statement, these documents can be accessed at <http://www.fanniemae.com/portal/jsp/mbs/documents/mbs/prospectus/> and <http://www.fanniemae.com/portal/about-fm/investor-relations/annual-reports-proxy-statements.html>. However, information on the Fannie Mae’s website is not part of this Official Statement.

The summary of the MBS Program set forth under this caption does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides, the Fannie Mae Certificates, the Fannie Mae Prospectus and the other documents referred to in this Appendix.

Each Fannie Mae Certificate represents the entire interest in a specified pool of mortgage loans purchased by Fannie Mae and identified in records maintained by Fannie Mae. The Pool Purchase Contract will require that each Fannie Mae Certificate be in a minimum amount of \$250,000. Each Fannie Mae Certificate will bear interest at the pass-through rate specified thereon.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full principal balance of any foreclosed or other finally liquidated mortgage loans, whether or not such principal balance is actually received. *The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to the full faith and credit of the United States.* If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the registered holder of the Fannie Mae Certificates, would consist solely of payments and other recoveries on the underlying mortgage loans, and accordingly, monthly distributions to the Trustee, as the holder of the Fannie Mae Certificates, and payments on the Bonds could be adversely affected by prepayments, delinquent payments and defaults on such conventional mortgage loans.

Payments on a Fannie Mae Certificate will be made to the Trustee on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (1) the principal due on the mortgage loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month before the month of such distribution and ending on the first day of such month of distribution, (2) the stated principal balance of any mortgage loan that was prepaid in full during the calendar month preceding the month in which the distribution date occurs (including as prepaid for this purpose at Fannie Mae’s election any mortgage loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest or because of Fannie Mae’s election to repurchase such mortgage loan under certain other circumstances as permitted by the Trust Agreement), (3) the amount of any partial prepayment of a mortgage loan received during the month preceding the month in which the distribution date occurs, and (4) one month’s interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee (assuming the Trustee is the registered

holder) prior to the distribution date (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distributions, a mortgage loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such mortgage loan has been received, whether or not such full amount is equal to the stated principal balance of the mortgage loan.

The Housing and Economic Recovery Act of 2008 ("HERA") established the Federal Housing Finance Agency ("FHFA"), an independent agency of the federal government, as the new supervisory and general regulatory authority for Fannie Mae. Fannie Mae is subject to the supervision and regulation of FHFA to the extent provided in HERA, and the Director of FHFA has general regulatory authority over Fannie Mae to ensure that the purposes of HERA, the authorizing statutes and any other applicable laws are carried out.

FHLMC and the FHLMC Certificates

The following summary of the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), the Freddie Mac Guarantor Program, the Freddie Mac Certificates and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements and any other documents made available by Freddie Mac. Copies of these documents can be obtained by writing, calling or e-mailing Freddie Mac's Investor Inquiry Department at 1551 Park Run Drive, McLean, Virginia 22102 (800-336-3672; e-mail: InvestorInquiry@freddiemac.com). The Authority does not and will not participate in the preparation of Freddie Mac's Mortgage Participation Certificates Offering Circular, Information Statement or Supplements. At the time of printing this Official Statement, general information regarding Freddie Mac can be accessed at <http://www.freddiemac.com>. The Authority makes no representations regarding the content or accuracy of the information provided at such website, and such website is not part of this Official Statement.

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act (Title III of the Emergency Home Finance Act of 1970, as amended (12 U.S.C. §§ 1451-1459)) (the "Freddie Mac Act"). Freddie Mac is also subject to the supervision and regulation of the Federal Housing Finance Authority to the extent provided in HERA. Furthermore, Freddie Mac has operated under conservatorship with the FHFA as Conservator since September 6, 2008. Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets. The Authority cannot predict the long term consequences of the conservatorship of this entity and the corresponding impact on the participants and the Program.

Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

The obligations of Freddie Mac, including its obligations under the Freddie Mac Certificates, are obligations solely of Freddie Mac and are not backed by, or entitled to, the full faith and credit of the United States America.

Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac.

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac Certificate representing an undivided interest in a pool consisting of those mortgages (the “Guarantor Program”). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Certificates will be mortgage pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. Freddie Mac Certificates are issued only in book-entry form through the Federal Reserve Banks’ book-entry system. Each Freddie Mac Certificate represents an undivided interest in a pool of mortgages. Payments by borrowers on the mortgages in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Certificates representing interests in that pool. All of the mortgages are either conventional mortgages or mortgages guaranteed or insured by FHA, the Department of Veterans Affairs, the U.S. Department of Agriculture Rural Development, or HUD (“FHA/VA Mortgages”). Conventional mortgages are pooled separately from FHA/VA mortgages. Freddie Mac issues two types of Freddie Mac Certificates — Gold PCs and ARM PCs. Gold PCs are backed by (i) fixed-rate, level payment, fully amortizing mortgages, (ii) fixed-rate Initial Interest Mortgages, or (iii) Modified Mortgages with or without Step Rate Increases. ARM PCs are backed by adjustable rate mortgages. In connection with its single security initiative, Freddie Mac has ceased issuing new Gold PCs as of June 3, 2019. As of June 3, 2019, the Freddie Mac Certificates are UMBS.

Payments on Freddie Mac Certificates begin on or about the fifteenth day of the first month following issuance for a Gold PC and on or about the 15th day of the second month after issuance for an ARM PC. Each month, Freddie Mac passes through to record holders of Freddie Mac Certificates their proportionate share of principal payments on the mortgages in the related pool and one month’s interest at the applicable PC Coupon rate. The PC Coupon rate for a Freddie Mac ARM PC is based on the weighted average of the interest rates of each Mortgage in the related PC Pool, less the rate equivalent to the servicing fees and guarantee fees applicable to each such Mortgage. In the case of a Gold PC, the PC Coupon is set at the time of issuance and does not change. Historically, the interest rates on the mortgages in a fixed-rate Gold PC pool formed under Freddie Mac’s Guarantor Program fall within a range from the PC Coupon on the Freddie Mac Certificate plus the minimum required servicing fee through the pass-through rate plus any additional amount determined by Freddie Mac. The FHFA has issued a directive to the Enterprises to limit the difference between the interest rate on Mortgages and the PC Coupon.

Freddie Mac guarantees to each holder of a Freddie Mac Gold PC, timely payment of scheduled principal payments on the related mortgages, and interest at the applicable pass-through rate, whether or not received. For ARM PCs, Freddie Mac guarantees timely payment of interest at the applicable rate, whether or not received, and full and final payment of any principal no later than the month following the final payment date. For Gold PCs, the full and final payment on each Freddie Mac Certificate will be made no later than the payment date that occurs in the month in which the last monthly payment on the Freddie Mac Certificate is scheduled to be made.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Certificates, including any UMBS issued by Freddie Mac, are obligations of Freddie Mac only. The Freddie Mac Certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Certificates would consist solely of payments and other recoveries on the related mortgages; accordingly, prepayments, delinquencies and defaults on the mortgages would affect distributions on the Freddie Mac Certificates and could adversely affect payments on the Bonds.

All mortgages purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage and the credit worthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgages, the loan-to-value ratio and age of the mortgages, the type of property securing the mortgages and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgages it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgages in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac administration of escrow accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage and when to initiate such measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. Freddie Mac generally repurchases from a pool any mortgage that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders.

HERA established the FHFA, an independent agency of the federal government, as the new supervisory and general regulatory authority for Freddie Mac. Freddie Mac is subject to the supervision and regulation of FHFA to the extent provided in HERA, and the Director of FHFA has general regulatory authority over Freddie Mac to ensure that the purposes of HERA, the authorizing statutes and any other applicable laws are carried out.

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

November 19, 2025

Illinois Housing Development Authority
Chicago, Illinois

The Bank of New York Mellon Trust Company, N.A., as Trustee
Chicago, Illinois

RE: Illinois Housing Development Authority Revenue Bonds, \$130,000,000 principal amount 2025 Series G (Non-AMT) (the “Series 2025G Bonds”), and Illinois Housing Development Authority Revenue Bonds, \$70,000,000 principal amount 2025 Series H (Taxable) (the “Series 2025H Bonds” and, together with the Series 2025G Bonds, the “Bonds”), issued pursuant to the Revenue Bonds General Indenture, dated as of March 1, 2016, between the Illinois Housing Development Authority (hereinafter called the “Issuer”), and The Bank of New York Mellon Trust Company, N.A., as Trustee (hereinafter called the “Trustee”) as previously supplemented and amended and as further supplemented by the Series Indenture, dated as of November 1, 2025 (hereinafter collectively called the “Indenture”);
Total Issue: \$200,000,000

Ladies and Gentlemen:

We have examined a certified transcript (the “Transcript”) of proceedings containing (1) the proceedings of the Issuer relating to the authorization, issuance and sale of the Bonds and the approval and execution of the Indenture, including the resolution pertaining to the Bonds adopted by the Issuer on October 17, 2025, together with a Determination made by authorized officers of the Issuer (collectively, the “Resolution”); (2) the Issuer’s tax covenants and representations made in the Indenture and the tax covenants and representations made in the certificates and other documents of the Issuer, each dated this date (collectively, the “Tax Covenants”); (3) certificates showing execution, authentication and delivery of the Bonds and no litigation pending as of said date of delivery; and (4) an executed counterpart of the Indenture. The Series 2025G Bonds are sometimes referred to collectively herein as the “Tax-Exempt Bonds,” and the Series 2025H Bonds are sometimes collectively referred to herein at the “Taxable Bonds.” Capitalized terms appearing in this opinion letter that are otherwise not defined herein shall have the meanings ascribed thereto in the Indenture.

In delivering our opinion, we have relied upon our examination of the Transcript and other certificates and representations of the Issuer, certain public officials and others, including the Tax Covenants, and have not undertaken to verify any facts by independent investigation.

The Bonds mature on the dates, bear interest at the rates payable on the interest payment dates, are issuable in the denominations and are subject to redemption at the times, and upon the terms, that are set forth in the Indenture.

Based upon the foregoing and our review of such other information, papers, documents and laws as we believe necessary or advisable, we are of the opinion that:

1. The Issuer is a legally existing body politic and corporate of the State of Illinois.

2. Under the Illinois Housing Development Act, as amended to the date of this opinion (the “Act”), the Issuer has the right and power to adopt the Resolution and to execute and deliver the Indenture. The Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, is valid and binding upon the Issuer and is enforceable in accordance with its terms. The Indenture has been duly authorized, executed and delivered by the Issuer and assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Issuer.
3. The Indenture creates the valid pledge which it purports to create of the Pledged Property to secure the Bonds, including Revenues derived from Mortgage Loans and Mortgage Backed Securities and certain Funds and Accounts held by the Trustee, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.
4. The Bonds are legal, valid and binding special limited obligations, and not general or moral obligations, of the Issuer, enforceable in accordance with the terms thereof, are payable from and secured on a parity with the bonds issued under the Indenture by a pledge of certain payments to be received by the Issuer and the Trustee pursuant to the Indenture, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture on a parity with the bonds to be issued under the Indenture.
5. Under statutes, decisions, regulations and rulings existing on this date, the Bonds and all income therefrom is free from all taxation by the State of Illinois or its political subdivisions, except for estate, transfer and inheritance taxes.
6. Under existing federal statutes, decisions, regulations and rulings, the interest on the Tax-Exempt Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the “Code”). The interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. However, interest on the Tax-Exempt Bonds may be taken into account for the purpose of computing the alternative minimum tax on corporations.

It should be noted that the Issuer has no taxing power and the Bonds are not a debt of the State of Illinois and the State of Illinois is not liable on the Bonds. The Bonds are not subject to Section 26.1 of the Act.

This opinion is conditioned on continuing compliance by the Issuer with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Tax-Exempt Bonds to lose the excludability from gross income for federal income tax purposes retroactive to their date of issue. No opinion is expressed upon the consequences of owning the Bonds under any other section of the Code.

It is to be understood that the rights of the owners of the Bonds, the Issuer and the Trustee and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be further understood that the rights of the owners of the Bonds, the Issuer and the Trustee and the enforceability of the Bonds and the Indenture may be subject to the valid exercise of the constitutional powers of the State of Illinois and the United States of America.

Very truly yours,

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APPENDIX G

SUMMARY OF THE CONTINUING DISCLOSURE UNDERTAKING OF THE AUTHORITY

Undertaking

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”), the Authority will execute a Continuing Disclosure Undertaking. The following information summarizes the obligations of the Authority under the Continuing Disclosure Undertaking.

Annual Financial Information

Each year the Authority will provide the annual financial information described below to the Municipal Securities Rulemaking Board (“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 annual financial information will consist of 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 aggregate principal balance, weighted average interest rate and weighted average term of (a) Mortgage-Backed Securities and (b) Mortgage Loans not underlying Mortgage-Backed Securities, and (iii) the amount of money and securities in the Reserve Fund, if any. The annual financial information will be provided not later than the 180th day following the end of each of the Authority’s fiscal years, beginning with the fiscal year ending June 30, 2025. Copies of the annual financial information will also be made available to any beneficial or registered owner of the Series 2025G/H Bonds upon request.

The annual financial information may include any or all information by incorporating, by specific reference, other documents which have been provided to EMMA. If the incorporated information is in an Official Statement, it must be available from the MSRB. The annual financial information will include a notice of any change in the Authority’s fiscal year.

Reporting Significant Events

Upon the occurrence of any of the following events with respect to the Series 2025G/H Bonds, the Authority will report the event to EMMA in a timely manner and in any event within ten (10) business days of the occurrence of such event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements (if any are subsequently provided) reflecting financial difficulties;
5. substitution of credit or liquidity providers (if any such enhancement is subsequently provided) or their failure to perform;

6. 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 2025G/H Bonds, or other material events affecting the tax status of the Series 2025G/H Bonds;
7. modifications to rights of Owners of the Series 2025G/H Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2025G/H Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Authority;
13. 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;
14. the appointment of a successor or additional trustee or the change of the name of a trustee, if material;
15. incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

For purposes of the Rule, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). 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 EMMA of any failure to timely provide the annual financial information as provided in the continuing disclosure undertaking.

Enforcement

The agreements of the Authority in the Continuing Disclosure Undertaking are a contract between the Authority and the beneficial and registered owners from time to time of the Series 2025G/H Bonds. Such agreements may be enforced by any beneficial or registered owner of the Series 2025G/H Bonds. The sole remedy with respect to the Authority’s compliance with its undertaking will be to require compliance. The Continuing Disclosure Undertaking is solely for the benefit of the beneficial or registered owners of the Series 2025G/H Bonds from time to time, and will create no right in anyone else. The Trustee has no

powers or duties under the Continuing Disclosure Undertaking. No violation by the Authority of any provision described in the Continuing Disclosure Undertaking will constitute any Event of Default or a default under the Indenture or under the Act.

Termination

The obligation of the Authority under the Continuing Disclosure Undertaking will end upon the Series 2025G/H Bonds being paid or treated as paid as provided in the Indenture, except for the obligations to give notice under clauses (6) or (8) above under the caption “Reporting Significant Events.”

Amendment

The Authority may by resolution amend the Continuing Disclosure Undertaking 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 the Continuing Disclosure Undertaking, 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 EMMA and the Trustee.

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APPENDIX H

ILLINOIS HOUSING DEVELOPMENT AUTHORITY IMPACT FRAMEWORK

Where a family lives determines access to schools, jobs, transportation, healthcare and more. For these reasons, expanding the availability and access to quality housing is one of the most essential actions the Illinois Housing Development Authority (“IHDA”) takes on behalf of Illinois families.

IHDA was created in 1967 by the State of Illinois (the “State”) to assist in the financing of decent, safe, and affordable rental housing for persons and families of low and moderate income in the State, and to assist in the financing of residential mortgages in the State for persons and families of low and moderate income. IHDA believes that affordable housing is a fundamental component of strong communities and serves as the foundation of personal and economic well-being.

To accomplish its mission, IHDA (1) finances homeownership loans through the acquisition of single family home loans from lending institutions throughout the State under IHDA’s Homeownership Program and (2) makes mortgage loans or other loans to developers of affordable housing for the acquisition, construction or rehabilitation of affordable rental housing developments in the State. IHDA financing for its Homeownership Program and its Multifamily Program includes the issuance of bonds pursuant to the Act.

To highlight IHDA’s impact and attract capital to support its mission, IHDA introduced its Social Bonds designation in 2021 for bonds issued to finance homeownership loans. In 2021, IHDA introduced its Sustainability Bonds designation for bonds issued to finance loans to developers of affordable multifamily rental developments. IHDA also periodically uses a Social Bonds designation for certain bonds issued under its Multifamily Program. The following table provides a summary of IHDA’s issuance of Social Bonds and Sustainability Bonds (collectively, “Impact Bonds”) under both its Homeownership and Multifamily Programs.

Illinois Housing Development Authority Impact Bonds		
Homeownership Program	Multifamily Program	
Social Bonds	Sustainability Bonds	Social Bonds
\$4,493.6 million IHDA Social Bonds issued from January 1, 2021 to October 31, 2025	\$130.0 million IHDA Sustainability Bonds issued from January 1, 2022 to October 31, 2025	\$23.6 million IHDA multifamily Social Bonds issued from January 1, 2022 to October 31, 2025

IHDA's Social Bonds are aligned with the four core components of the International Capital Market Association's* (ICMA) Social Bonds Principles, and its Sustainability Bonds are aligned with the four core components of the ICMA's Green Bonds Principles, Social Bonds Principles, and Sustainability Bonds Guidelines, and focus on: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Transparency through Ongoing Reporting.

The following table provides a summary of the two components of IHDA's Impact Framework: its Social Bonds Framework and its Sustainability Bonds Framework.

Illinois Housing Development Authority's Impact Bond Framework			
	Homeownership Program	Multifamily Program	
ESG Designation/Framework	Social Bonds	Sustainability Bonds	Social Bonds
Use of Proceeds	Finance Homebuyer and Down Payment Assistance Programs	Finance affordable multifamily rental housing projects benefiting from LIHTC allocation that include energy efficiency features	Refinance affordable, multifamily rental housing projects benefiting from LIHTC allocation
Process for Project Evaluation and Selection	Qualified Mortgage Issue under Sec. 103 of I.R.C. of 1986	IHDA's Qualified Allocation Plan [†]	IHDA's Qualified Allocation Plan
Management of Proceeds	Proceeds are deposited in segregated account and invested in investment obligations until disbursed to finance mortgage loans or mortgage-backed securities	Proceeds are deposited in segregated account and invested in investment obligations until disbursed to finance multifamily projects	Proceeds are deposited in segregated account and invested in investment obligations until disbursed to finance multifamily projects
Reporting	Annual	Annual	One-time
ICMA Goals	Nos. 1, 8, 10, 11	Nos. 1, 7, 11	Nos. 1, 11
UN SDG Targets	1.4, 8.10, 10.2, 10.3, 11.1	1.4, 7.3, 11.1	1.4, 11.1

* The ICMA is a not-for-profit, membership organization that, among other things, works to "promote the development of the international capital and securities market." For more on the ICMA, see its website at <https://www.icmagroup.org/About-ICMA/>.

[†] The IHDA Qualified Allocation Plan is discussed at Section II of this document, and a copy of the QAP can be found on IHDA's website.

I. IHDA'S SINGLE FAMILY PROGRAM – Social Bonds

Through its homebuyer programs, IHDA's goal is to achieve the following objectives: (i) the provision of funds to finance, at affordable interest rates and/or other terms more favorable than those otherwise available, residential mortgage loans for low and moderate income persons and families; (ii) the provision of housing to alleviate the shortage of adequate housing in the State for persons and families that are residents of the State; and (iii) the effective participation by mortgage lenders in IHDA's homebuyer programs. Since 1970, IHDA has provided more than \$12.6 billion to finance 107,000+ units of affordable, single family housing. During fiscal year 2025, IHDA originated \$971.13 million in first mortgage loans and \$52.32 million in down payment assistance to help 4,915 Illinois families purchase their first home.

In furtherance of its mission, IHDA issues bonds to finance its single family housing mortgage loan program, pursuant to the Illinois Housing Development Act, as amended (the "Act") and a Revenue Bonds General Indenture dated as of March 1, 2016 (the "General Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. IHDA established its single family housing program under the General Indenture to provide funds to purchase residential mortgage loans originated throughout the State (or participation interests in such loans) ("Mortgage Loans") and mortgage-backed securities that are backed by Mortgage Loans and guaranteed by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC") (or participation interests in such securities) (the "Mortgage-Backed Securities"). IHDA is authorized by the Act to have up to \$11.5 billion aggregate principal amount of bonds outstanding, excluding those issued to refund its outstanding bonds and notes.

A. Homebuyer Programs

IHDA's core homebuyer program offers 30-year fixed interest rate mortgage loans to make homeownership affordable for first-time homebuyers and persons who have not owned a home in the last three years. Under the Act, the General Indenture, and Section 103 of the Internal Revenue Code of 1986 (the "Code"), to qualify for an IHDA mortgage loan, applicants must meet income criteria specific to the particular county of the State, and the owner-occupied home they plan to purchase must be within sales price guidelines specific to the area of the State. In areas designated as "Targeted Areas," or census tracts defined by the IRS as an area of chronic economic distress which could benefit from increased homeownership, income limit and sales price limits may be increased.

In addition, IHDA Single Family Social Bonds finance two additional homebuyer programs that provide families with a further opportunity to increase generational wealth and build homeownership accessibility:

1. Opening Doors

Opening Doors is designed to increase home purchase accessibility for low-and moderate-income homebuyers across Illinois to break the cycle of renting and achieve a path to sustainable homeownership. Opening Doors provides a 30-year fixed rate first mortgage with down payment and/or closing cost assistance in the form of a \$6,000 forgivable second mortgage that is forgiven monthly over five years. Eligible borrowers may be first-time or non-first-time homebuyers who live in any county statewide, including DACA recipients.

2. Smart Buy

This program is designed to increase home purchase accessibility and help build a new generation of wealth, grow the middle class, and increase homeownership opportunity for low to moderate income

Illinois borrowers affected by increasing student loan debt. Smart Buy provides a 30-year fixed rate first mortgage with down payment and/or closing cost assistance in the form of a \$5,000 second mortgage. The repayment of the second mortgage is deferred and becomes due upon sale, payoff, transfer, or refinance of the first mortgage. In addition, IHDA provides 15% of the purchase price (up to \$40,000) in assistance for student loan debt relief. Eligible borrowers must have at least \$1,000 in student loan debt and must pay off their full remaining student loan balance at mortgage loan close.

B. Down Payment Assistance Programs

Designed to increase home purchase accessibility and affordability, IHDA offers the following *Access* down payment assistance programs in conjunction with its 30-year fixed rate first mortgage loans:

1. Access Forgivable – provides a second mortgage loan of 4% of the purchase price (up to \$6,000) in down payment and/or closing cost assistance which is forgiven monthly over ten years.
2. Access Deferred – provides a second mortgage loan of 5% of the purchase price (up to \$7,500) in down payment and/or closing cost assistance, the repayment of which will be deferred for 30 years, unless repaid sooner, or in the event of a refinance or sale of the property, at which time the second mortgage will become due.
3. Access Repayable – provides a second mortgage loan of 10% of the purchase price (up to \$10,000) in down payment and/or closing cost assistance, the repayment of which will amortize monthly over a 10-year period at 0% interest rate.

C. Homebuyer Education and Counseling

To ensure financial preparedness, all IHDA mortgage programs are offered in tandem with free financial education and pre-purchase counseling to ensure new homebuyers have the education and support they need to make sustainable homeownership possible. To satisfy the IHDA mortgage pre-purchase education requirement, homebuyer education courses must (i) meet standards defined by HUD, or the National Industry Standards for Homeownership Education and Counseling; (ii) be completed by all borrowers listed on the transaction; (iii) provide a certificate with the borrower(s) name(s) and completion date; and (iv) be completed prior to closing and no more than one year prior to the closing date. For two-unit properties, Landlord education is required in addition to homebuyer education.

D. Bonds Alignment with the Social Bond Principles

“Social Bonds are use of proceeds bonds that raise funds for new and existing projects with positive social outcomes.”* IHDA Single Family Social Bonds are used to finance affordable, single family housing in the State of Illinois. IHDA’s Social Bonds Framework aligns with the International Capital Market Association’s (ICMA) Social Bonds Principles via the four following components: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Transparency through Ongoing Reporting.

* International Capital Market Association Social Bond Principles at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/> (last accessed January 31, 2023).

1. Use of Proceeds

IHDA designates its single family bonds as Social Bonds based on the intended use of proceeds: to finance the affordable homeownership and down payment assistance programs described above for homebuyers in the State who meet certain income criteria.

The following tables provide summary data describing historical loan origination activity and historical borrower profile for mortgage loans financed by IHDA from January 2018 through October 2024.

Illinois Housing Development Authority Homebuyer Program Highlights (January 2018 – October 31, 2024) For Mortgage Loans Financed* under the General Indenture	
Total Mortgage Loans Originated	18,334 loans totaling \$3.20 billion
Down Payment Assistance Program Loans [†]	18,334 or 100% of total first loans totaling \$126.93 million
Loans in Federally Targeted Areas	94, or 0.51%, of total first loans
Average Loan Amount	\$175,526
Average Purchase Price	\$185,846
Borrower's Average Annual Gross Income	\$70,857
Average Household Size	2.10
Loans to Female Heads of Household	48.41%
Loans to Minority Borrowers	45.21%

Illinois Housing Development Authority Mortgage Loans¹ Originated by Borrower Income as a Percentage of Area Median Income and Financed under the General Indenture		
AMI Band	# of Loans	\$ of Loans (\$000s)
Below 80%	13,177	2,093,300
80% - 100%	5,157	1,111,349
Totals	18,334	3,204,649

2. Process for Loan Evaluation and Selection

The Code substantially restricts the use of proceeds of tax-exempt obligations used to finance mortgage loans for single-family housing. Under the Code, interest on bonds, the proceeds of which are

* Mortgage Loans were pooled into Mortgage-Backed Securities.

[†] Down Payment assistance loans are currently funded with available IHDA funds outside of the General Indenture.

used to provide mortgage loans on owner-occupied housing, is not excluded from gross income for federal income tax purposes unless the bonds are part of a “qualified mortgage issue.” An issue of bonds constitutes a “qualified mortgage issue” if the requirements described below under “Loan Eligibility Requirements Imposed by the Code” and requirements described below with respect to the use of funds generated by the issuance of such obligations are met.

The Code contains the following loan eligibility requirements that are applicable to mortgage loans financed in whole or in part by Single Family Social Bonds, or otherwise attributable to Single Family Social Bonds, for federal income tax purposes in order that interest not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof:

- *Residence Requirement*

Each premises financed with proceeds of qualified mortgage bonds must be a one-to-four-family residence, one unit of which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. In the case of a two- to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the residence must have been occupied as a residence at least five years before the mortgage is executed.

- *First-Time Homebuyer Requirement*

Subject to certain exceptions, the lendable proceeds of qualified mortgage bonds must be used to provide financing to mortgagors who have not had a present ownership interest in their principal residence (other than the residence being financed) during the three-year period prior to execution of the mortgage loan.

- *New Mortgage Requirement*

With certain limited exceptions, the lendable proceeds of qualified mortgage bonds must finance new mortgage loans only and no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan.

- *Purchase Price Limitation*

The purchase price of the residence financed with the lendable proceeds of qualified mortgage bonds may not exceed 90% of the average area purchase price applicable to such residence or 110% of the applicable average area purchase price in the case of residences located in targeted areas.

- *Income Limitations*

All mortgage loans made from the lendable proceeds of qualified mortgage bonds must be made only to borrowers whose family income does not exceed 115% (or for mortgage loans made to families with fewer than three members, 100%) of the applicable median family income. An exception is provided for mortgage loans financed with the lendable proceeds of qualified mortgage bonds made with respect to targeted area residences that permits two-thirds in aggregate amount of such mortgage loans to be made with respect to borrowers whose family income does not exceed 140% (for mortgage loans made to families with fewer than three members, 120%) of the applicable median family income and one-third in aggregate amount of such loans to be made without regard to any income limitation. Family income includes income of all individuals executing both the note and mortgage and occupying the dwelling as their principal residence.

- Requirements as to Assumptions

The Code provides that a mortgage loan may be assumed only if each of the then applicable residence requirement, first-time homebuyer requirement, purchase price limitation, and income limitation is met with respect to such assumption.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of Single Family Social Bonds are deposited in segregated accounts under the General Indenture and invested in investment obligations until disbursed to finance mortgage loans or mortgage-backed securities backed by pools of mortgage loans.

4. Post-Issuance Reporting

IHDA voluntarily provides annual updates regarding the disbursement of the proceeds of Single Family Social Bonds in the form shown below. IHDA provides such voluntary disclosure until the applicable lendable proceeds for a particular issuance have been fully expended. While IHDA posts annual updates on the Electronic Municipal Market Access system ("EMMA"), this reporting is separate from IHDA's post-issuance continuing disclosure obligation. Failure by IHDA to provide such updates is not a default or event of default under the General Indenture or any continuing disclosure agreement.

FORM OF SOCIAL BONDS ANNUAL REPORT

Series [____] Bond Proceeds Summary	
Total Original Lendable Proceeds	\$
Amount of Proceeds Spent to Acquire Mortgage Loans and/or Mortgage-Backed Securities as of [date]	_____
Bond Proceeds Remaining as of [date]	\$

Purchased Series 20____ Mortgage Loans and/or Mortgage-Backed Securities as of [_____] by Borrower Income as a Percentage of Area Median Income (AMI)		
AMI Band	# of Loans	\$ of Loans (\$000s)
Below 80%		
80% - 140%		
Totals		

Purchased Series _____ Mortgage Loans and/or Mortgage-Backed Securities as of [_____] by Borrower Income as a Percentage of Area Median Income (AMI)		
AMI Band	# of Loans	\$ of Loans (\$000s)
50% and below		
50.1% - 60%		
60.1% - 70%		
70.1% - 80%		
80.1% - 90%		
90.1% - 100%		
100.1% - 140%		
Totals		

E. Bonds Alignment with United Nations Sustainable Development Goals

By reference to the ICMA's *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals* (June 2023), which links the ICMA Social Bond Principles to the framework provided by the United Nations 17 Sustainable Development Goals ("SDGs"), IHDA's homebuyer programs and the intended use of proceeds of the Single Family Social Bonds are relevant to the following SDGs:

- *Goal No. 1 (No Poverty)* is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services and Socioeconomic Advancement and Empowerment.
- *Goal No. 8 (Decent Work and Economic Growth)* is focused on promoting sustainable, and inclusive economic growth. Target 8.10 maps to the SDG category of Access to Essential Services.
- *Goal No. 10 (Reduced Inequalities)* is focused on reducing inequality and promoting social and economic inclusion for all. Target 10.2 maps to the SDG categories of Access to Essential Services and Socioeconomic Advancement and Empowerment, and Target 10.3 maps to the SDG category of Socioeconomic Advancement and Empowerment.
- *Goal No. 11 (Sustainable Cities and Communities)* is focused on making cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 maps to the SDG category of Affordable Housing.

The SDGs were adopted by the United Nations General Assembly on September 25, 2015, as part of its 2030 Agenda for Sustainable Development.

II. IHDA's MULTIFAMILY PROGRAM

In addition to providing assistance to low and moderate income homebuyers and homeowners, IHDA offers resources to developers that build or preserve affordable and mixed-income rental housing and provide oversight for hundreds of affordable rental communities across the State. IHDA established its multifamily housing program pursuant to the Illinois Housing Development Act, as amended (the "Act") and a Revenue Bonds General Indenture dated as of March 1, 2016 (the "General Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee.

IHDA accomplishes its goal of financing multifamily affordable housing through a number of funding sources, including Low Income Housing Tax Credits ("LIHTC"). The LIHTC program is a dollar-for-dollar federal tax credit for affordable housing investments created under the Tax Reform Act of 1986. It provides incentives to raise private equity for the development of affordable housing for low income households. Tax credits are claimed through the Internal Revenue Service. Although the U.S. Treasury Department is the final authority on the program, it is administered at the state level by housing finance agencies like IHDA. Additionally, the Illinois Administrative Code provides state rules governing the LIHTC program. In exchange for LIHTCs, developers commit to lease units to low income households, to charge affordable rents, and to maintain the property in good condition.

IHDA's multifamily program uses bond proceeds to finance affordable, multifamily rental housing projects benefiting from either a 4% or 9% LIHTC allocation, as set forth in the State's Qualified Allocation Plan (the "QAP"). The QAP details how IHDA awards LIHTC tax credits and serves as a framework for the development and rehabilitation of affordable rental units. Affordable housing developers apply for tax credits with IHDA, which selects developments to receive LIHTC awards based on competitive application criteria. In addition to providing rental housing for low and moderate income families, multifamily projects financed with Sustainability Bonds finance housing for seniors, persons with special needs, and residents requiring supportive housing. In addition, multifamily affordable housing projects that receive a LIHTC allocation also tend to receive subsidy payments under the federal Housing Assistance Payment Program (or Section 8). LIHTC projects are typically designated for residents at between 30% and 80% AMI.

IHDA has financed more than 150,000 affordable rental homes since 1967. One of every 18 rental units in the State was built or rehabilitated with IHDA resources. IHDA's investments result in quality housing that serve working families, seniors, and persons with special needs.

A. IHDA Green Standards

Applicants seeking IHDA multifamily development financing must show that the project will meet the following IHDA Green Standards.

1. Enterprise Green Communities

Although Enterprise Green Communities ("EGC") certification is not required, projects receiving tax credits must adhere to EGC's 40 mandatory criteria in the eight major sections of the EGC program, unless pursuing certification under one of IHDA's Green Building Standards (discussed below). The eight sections of the EGC criteria are:

- *Integrative Design*: measures to ensure an integrated design process with sustainable building elements.
- *Location and Neighborhood Fabric*: thoughtful site location to connect to existing neighborhood fabric.

- *Site Improvement*: efforts during construction and with landscaping to improve the site.
- *Water*: water conservation measures.
- *Operating Energy*: improving operating energy performance with updated Architectural Standards, appropriately sized HVAC, and energy efficient appliances and lighting.
- *Materials*: healthier material selection and effective moisture control.
- *Healthy Living Environment*: measures to ensure healthy living for residents.
- *Operations, Maintenance, and Resident Engagement*: guidance for property managers, building operators, and residents on how to maximize benefits during operation.

2. Green Building Standards Certification

Projects with architectural design and construction that meet or exceed energy efficiency and green criteria can obtain additional points in the Project Application by certifying to one of the following standards:

- 2020 Enterprise Green Communities – projects that select the scoring criteria 5.5b “Moving to Zero Carbon: All Electric”
- LEED 4.1 Building Design and Construction (BD+C at the Gold or Platinum levels)
- National Green Building Standards (NGBS) at the Emerald Level
- Passive House Institute United States (PHIUS) CORE certification
- International Living Future Institute’s (ILFI) Core Green Building Certification and Living Building Challenge 4.0 (Petals certification program)

3. Net Zero Certification

Criteria and certification process for third-party Net Zero Certifications can be accessed via the respective third-party websites for each standard. Applicant sponsors must provide proof of project registration in the program of their choice at the time the Project Application is submitted. When the Project receives a certificate of occupancy, sponsors must provide documentation to IHDA that they have achieved requisite certification. In lieu of certification, IHDA, in its sole discretion, may accept an alternative verification from a reliable third party qualified to confirm that the Project complies with the certification requirements, despite not receiving the official documentation.

4. Architectural Requirements

In connection with applying for financing from IHDA, an applicant must demonstrate that the project will satisfy IHDA’s Standards for Architectural Planning and Construction (the “Architectural Standards”), which details minimum quality standards for the design and construction of quality affordable housing. The Architectural Standards are used by IHDA to evaluate plans and specifications for proposed affordable housing developments, including new construction, rehabilitation, and the adaptive reuse of buildings. Applicants must include the “Architectural Standards, Universal Design and Amenities

Certification” (found on IHDA’s website), signed by a licensed architect in their capacity as Architect of Record for the project.

5. Architectural Standards

The Architectural Standards impose a number of requirements, including the following mandatory requirements:

- All minimum green design requirements
- All applicable federal and state accessibility laws and/or as specified in Section 9.00 of the Architectural Standards, including:
 - At least 10% of the total units in the Project are designed for persons with mobility impairments;
 - At least 20.0% of the total dwelling units must comply with the Requirements for Adaptable Dwelling Units (Section 233.6.5 of the Illinois Accessibility Code);
 - At least 2% of the total units in the Project are designed for persons with sensory impairments (not less than one unit)
- All units must be provided with broadband internet infrastructure.

Rehabilitation projects are required to meet these minimum accessibility requirements. However, IHDA understands the challenges sometimes presented by rehabilitation projects. An applicant may submit a written request specifying project-related challenges as a result of acceptable definitions within the Illinois Accessibility Code (such as elements technical feasibility, structurally impracticability, etc.). The written request must specify the following items:

- The applicable section of the Accessibility Code
- The specific exemption being sought, and the applicable Accessibility Code section allowing the exemption
- A description explaining why the exemption applies
- Narrative and cost analysis of any alternatives explored to provide code required elements

6. Universal Design

Universal Design, as defined by the Center of Universal Design, is “the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization.” IHDA recognizes the need to create housing including Universal Design features while maintaining aesthetics and affordability. Universal Design is not a safe harbor from other required accessibility codes, but is utilized as a supplement to any code requirements.

To award projects willing to provide Universal Design elements above the code, IHDA requires that each project include ten additional items not required by code in 100% of the units. As such, the application must identify any and all Universal Design principles to be integrated into the unit design.

Applications seeking an exception to this requirement must provide a detailed narrative explaining the reason Universal design features cannot be provided.

7. Amenities

Applications must include preliminary architectural plans and specifications that include all of the following:

1. Cover sheet with development title, development team, drawing index, building areas and code information;
2. Dimensioned floor plans, including square footage, for all unit and building types, with room designations and proposed finishes;
3. Typical wall sections;
4. Exterior elevations for all building types with material notations matching those defined within the scoping document discussed below;
5. A site plan showing the placement and orientation of buildings, parking areas, sidewalks, easements, setbacks, trash dumpsters, buffers, storm water detention, required site amenities, and significant natural features;
6. Preliminary landscape plan;
7. Certification of Project Scope, signed by the architect and sponsor. The Certification must include a written description of the full project scope. Items to be included, but not limited to, in this document are:
 - Specifications indicating all materials selected and/or defined performance criteria (e.g., windows, doors, hardware, drywall, exterior materials, floor and wall finishes);
 - Definition of structural systems to be modified/installed as part of the project;
 - Programmatic description of the proposed furniture, fixtures, and equipment items;
 - Definition of the project's sustainability strategy in the form of a certification checklist, energy model or detailed description of elements provided and their expected impact consistent with the level of points requested in the Project Application;
 - Written description of HVAC system to be installed; and
 - Definition of any/all other unique items included in the Project.

8. Rehabilitation and Adaptive Reuse Projects

Projects involving the rehabilitation of existing buildings require a Physical Needs Assessment ("PNA"), completed according to IHDA's Standards for Property Needs Assessments and based on the

existing condition of the property. Projects requesting LIHTC must include a minimum budgeted amount of hard construction costs per unit and minimum project scope, including but not limited to the following:

- Replacement of all plumbing fixtures within the entire project with fixtures meeting the fixture criteria identified in Standards for Architectural Planning and Construction.
- Replacement of all light fixtures throughout the project with high efficacy light sources – 65 lumens per watt, or luminaires with an efficacy of not less than 45 lumens per watt.
- Replacement of all flooring throughout the project with FloorScore certified flooring.
- Repair/Replacement of one additional major system beyond 90% of its useful life (furnaces, water heaters, central boilers, air conditioning equipment, elevator, windows, roofing, tuckpointing of exterior masonry, etc.) throughout the entire building.
- Painting of all units and common areas.

IHDA may waive any of the above items based on the PNA.

9. IHDA Standards for Environmental Reviews and Professionals

All applicants for multifamily financing from IHDA must submit a Phase I Environmental Report from a professional firm experienced in providing environmental reports. Phase I assessments must be completed within one year prior to the QAP application deadline, consistent with the requirements of IHDA's Standards for Environmental Reviews and Professionals (the "Standards for Environmental Reviews").

The Standards for Environmental Reviews provide firm guidance as to the minimum criteria that should be considered when selecting an environmental firm, and requires that the environmental assessment and report exceed the basic scope of a standard Phase I report. In addition to detailing whether the site contains hazardous substances such as lead-based paint, mercury, PCBs, hazardous liquids or gases, elevated radon levels or asbestos, IHDA requires that the Phase I report address the following:

- If the project is located in a flood zone, the developer must include a Federal Emergency Management Agency ("FEMA") floodplain map for the Project area with boundaries of the Project site clearly defined. Projects proposing rehabilitation of existing buildings must submit a site plan that clearly indicates (i) the FEMA determined elevation of the floodplain or floodway; (ii) the elevation of the lowest floor level in the existing buildings; and (iii) the location of the existing buildings;
- The developer must submit a Historic Preservation Checklist to IHDA, which then submits the checklist to the Illinois Department of Natural Resources ("IDNR"). If the property is listed, or is eligible to be listed, in the Federal Register of Historic Places, the developer must submit additional reports for the IDNR;
- Whether the project is located in or near wetlands and, if so, whether any hydrophilic plants are present;
- Whether the project is located in close proximity to a railroad, major road, highway, freeway, airport, or any other noise generating source such as an industrial plant;

- Whether the site is located near a coastal zone, an area designated as being supported by a sole source aquifer, or a designated wild and scenic river;
- Whether the project will impact federally-listed or proposed threatened and endangered species, or designated or proposed critical habitats; and
- Whether there is any indication that the project may raise issues related to environmental justice.

These heightened standards of environmental review and reporting furthers IHDA's mission to finance the creation and preservation of affordable housing that increases the supply of decent and safe places for people of low or moderate means to live.

B. Bonds Alignment with Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines

"Sustainability Bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects."* IHDA designates certain series of multifamily housing bonds as Sustainability Bonds based on the intended use of proceeds: to finance affordable multifamily rental housing that includes energy efficiency standards and features. IHDA believes the intended use of proceeds of Sustainability Bonds, and the manner of expenditure of such funds, are consistent with the four core components described by the ICMA in *Green Bond Principles*, *Social Bond Principles*, and *Sustainability Bond Guidelines*: (1) Use of Proceeds, (2) Process for Evaluation and Selection, (3) Management of Proceeds and (4) Reporting.

1. Use of Proceeds

IHDA Sustainability Bonds are used to finance affordable, multifamily rental housing projects benefiting from 4% or 9% LIHTC allocation and which design specifications are consistent with the State's energy efficiency and conservation requirements as set forth in the QAP, which is updated annually.

2. Project Evaluation and Selection

The QAP details how IHDA awards LIHTC tax credits and serves as a framework for the development and rehabilitation of affordable rental units. Affordable housing developers apply for tax credits with IHDA, which selects developments to receive LIHTC awards based on competitive application criteria. The application process begins with the developer submitting a Preliminary Project Assessment ("PPA") to IHDA prior to submitting a Project Application. Only upon receipt of an approval notice of the PPA may an applicant submit a full Project Application. Project Applications must include a Phase I environmental site assessment completed within one year prior to the application deadline.

In addition, Section 42(m) of the Code requires IHDA to include the following selection criteria in the QAP:

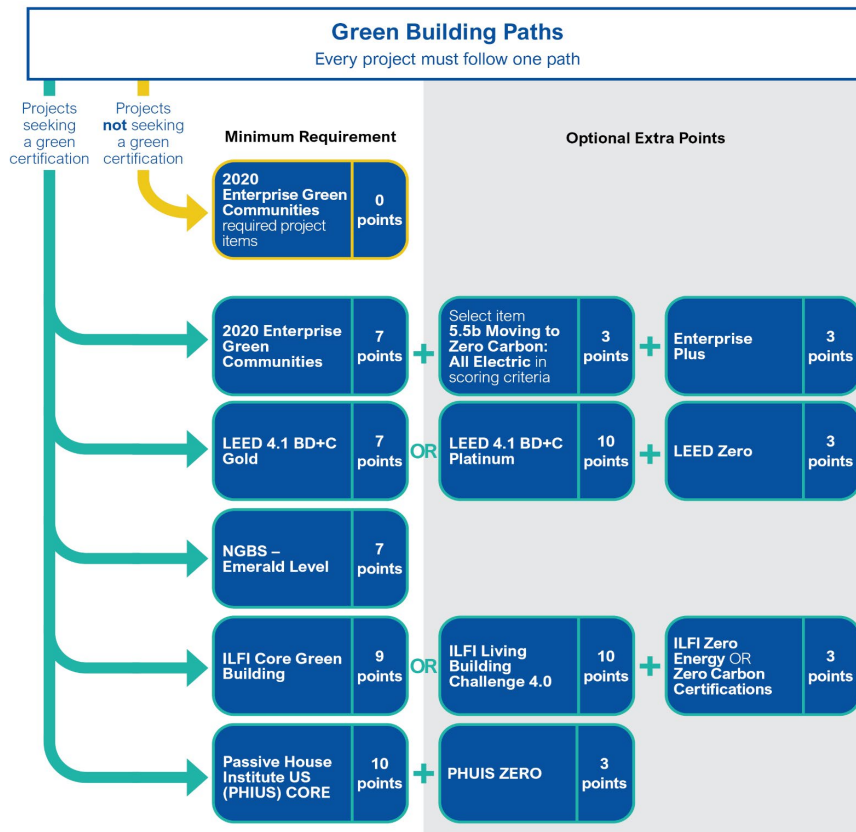
- Project location
- Housing need characteristics

* International Capital Market Association Sustainable Bond Guidelines at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/> (last accessed January 31, 2023).

- Project characteristics, including whether the Project involves the use of existing housing as part of a concerted Revitalization Plan
- Sponsor characteristics
- Tenant populations with special housing needs
- Public housing waiting lists
- Tenant populations of individuals with children
- Projects intended for eventual tenant ownership
- Energy efficiency of the project
- Historic nature of the project

In addition to the criteria set forth in the Code, IHDA reviews whether a project is expected to provide safe, quality housing at rent levels which low and moderate income individuals and families can afford. Updated income and rent limits for multifamily affordable housing financed by IHDA can be found on its website. Financial feasibility and documentation requirements under IHDA's Underwriting Standards Guide, which is incorporated into the QAP.

In selecting the winning application for a LIHTC project, IHDA utilizes a point system that awards a maximum of 13 points (or 13%) to applicants incorporating sustainability standards. Projects must adhere, at minimum, to EGC mandatory criteria. Projects may obtain additional points by obtaining EGC Certification or, in the alternative, obtaining Green Building Standards Certification and Net Zero Certification. IHDA's Green Building Paths illustrates the allocation of sustainability points:



The QAP incorporates, by reference, the mandatory EGC criteria, Green Building Standards Certification, and Net Zero Certification, each of which is discussed above in Subsection A.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of Sustainability Bonds are deposited in segregated accounts under the General Indenture and invested in investment obligations until disbursed to finance multifamily projects.

4. Post-Issuance Reporting

IHDA will provide voluntary, annual updates regarding the disbursement of the proceeds of Sustainability Bonds substantially in the form shown below. IHDA will provide such disclosure until the applicable lendable proceeds for a particular issuance have been fully expended. In respect to the disbursement of proceeds of Sustainability Bonds for the refunding of IHDA multifamily bonds, IHDA posts one-time updates for such issuances. While IHDA posts updates on the MSRB's EMMA system, this reporting is separate from IHDA's post-issuance continuing disclosure obligation. Failure by IHDA to provide such updates is not a default or event of default under the General Indenture or any continuing disclosure agreement.

FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING

Development Name (New Construction/ Rehabilitation)	Development Location	____% LIHTC Allocation	Anticipated Population Served or Elected % AMI	Environmental Attributes	Bond Proceeds Disbursed (\$) as of [November] __, ____	Bond Proceeds Disbursed (%) as of [November] __, ____

C. Bonds Alignment with United Nations Sustainable Development Goals

By reference to the ICMA *Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals*, IHDA has determined that its Sustainability Bonds designation reflects the use of the proceeds of its multifamily housing bonds in a manner that is consistent with the following United Nations SDGs:

- *Goal No. 1 (No Poverty)* is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.
- *Goal No. 7 (Affordable and Clean Energy)* is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all. Target 7.3 maps to the SDG category of Energy Efficiency.

- *Goal No. 11 (Sustainable Cities and Communities)* is focused on making cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.

III. IHDA's MULTIFAMILY PROGRAM – Social Bonds

From time to time, IHDA will issue Multifamily Social Bonds, the proceeds of which are used to refinance affordable, multifamily rental housing projects benefiting from LIHTC allocation.

A. Bonds Alignment with Social Bond Principles

IHDA Multifamily Social Bonds are aligned with the four core components of the Social Bonds Principles: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Transparency through Ongoing Reporting.

1. Use of Proceeds

As discussed at length in Section II, IHDA's Multifamily Social Bonds issuances are used to finance or refinance the construction, preservation, and redevelopment of affordable, multifamily rental housing developments containing conservation and energy efficiency standards for qualified low-income residents, as addressed in IHDA's QAP and LIHTC manual.

2. Project Evaluation and Selection

Section 42(m) of the Code requires IHDA to give preference in allocating LIHTC tax credits to projects that, among other requirements, serve the lowest income tenants for the longest periods, and which are located in qualified census tracts. Moreover, in order to qualify as LIHTC eligible, units must be leased at affordable rents. Qualified rents are defined by a maximum gross rent calculation designed to be no more than 30% of maximum household income, adjusted by unit size, and updated annually to reflect changes in AMI, as addressed in IHDA's LIHTC manual. The units themselves must be in good condition, available to the general public, and leased on a non-transient basis. Among the considerations of a developer's LIHTC application is the population served by the project. Owners of projects financed with LIHTC commit to providing certain proportions of qualified affordable units in a minimum set aside election.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of Multifamily Social Bonds are deposited in segregated accounts under the General Indenture and invested in permitted investments until disbursed. Such disbursements are tracked by IHDA.

4. Post-Issuance Reporting

IHDA provides annual updates regarding the disbursement of the proceeds of Multifamily Social Bonds until the applicable lendable proceeds for a particular issuance have been fully expended. IHDA posts one-time updates for the disbursement of proceeds of Multifamily Social Bonds used to refund IHDA multifamily bonds.

While IHDA posts updates on EMMA, this reporting is separate from IHDA's post-issuance continuing disclosure obligation. Failure by IHDA to provide such updates is not a default or event of default under the General Indenture or any continuing disclosure agreement.

FORM OF MULTIFAMILY SOCIAL BONDS REPORTING

Series [____] Bond Proceeds Summary	
Total Series [____] Bond Proceeds	
Amount of Prior Bonds refunded with [____] Bond Proceeds	
Series [____] Bond Proceeds Remaining as of [date]	\$[____]
Amount of Series [____] Transferred Loans	

B. Bonds Alignment with United Nations Sustainable Development Goals

By reference to the ICMA's *Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals*, IHDA has determined that its Multifamily Social Bonds designation reflects the use of the proceeds in a manner that is consistent with the following United Nations SDGs:

- *Goal No. 1 (No Poverty)* is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services and Socioeconomic Advancement and Empowerment.
- *Goal No. 11 (Sustainable Cities and Communities)* is focused on making cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 maps to the SDG category of Affordable Housing.

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APPENDIX I

FORM OF SOCIAL BONDS ANNUAL REPORT

Series 2025G/H Bond Proceeds Summary	
Total Original Lendable Proceeds	\$
Amount of Proceeds Spent to Acquire Mortgage Loans and/or Mortgage-Backed Securities as of [date]	
Bond Proceeds Remaining as of [date]	\$

Purchased Series 2025 _ Mortgage Loans and/or Mortgage-Backed Securities as of [_____] by Borrower Income as a Percentage of Area Median Income (AMI)		
AMI Band	# of Loans	\$ of Loans (\$000s)
Below 80%		
80% - 140%		
Totals		

Purchased Series 2025 _ Mortgage Loans and/or Mortgage-Backed Securities as of [_____] by Borrower Income as a Percentage of Area Median Income (AMI)		
AMI Band	# of Loans	\$ of Loans (\$000s)
50% and below		
50.1% - 60%		
60.1% - 70%		
70.1% - 80%		
80.1% - 90%		
90.1% - 100%		
100.1% - 140%		
Totals		

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