



***Idaho Housing
and Finance
Association***

www.idahohousing.com

**Audit Report as of
June 30, 2025 and 2024**

Idaho Housing and Finance Association

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June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Commissioners
Idaho Housing and Finance Association
Boise, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Idaho Housing and Finance Association (the Association), a component unit of the State of Idaho, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Association as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Idaho Housing and Finance Association's basic financial statements. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2025 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



Boise, Idaho
September 26, 2025

The Idaho Housing and Finance Association's (the Association) Management Discussion and Analysis presents readers of the Association's financial statements a narrative overview and analysis of the financial activities of the Association for the years ended June 30, 2025 and 2024.

Organizational Overview

The Association is a self-supporting organization that must generate all revenue necessary to cover the cost of its operations. The Association services loans for single-family borrowers in Idaho, Connecticut, Iowa, New Mexico, South Dakota, Texas, Oregon, and Washington, and multifamily affordable housing projects in Idaho. The Association administers seventeen (17) Housing and Urban Development (HUD) programs---Emergency Solutions Grants Program, HOME Investment Partnerships Program, Home – American Rescue Plan, Housing Trust Fund, Neighborhood Stabilization Program, Continuum of Care Program, Youth Homelessness Demonstration Program, Youth Homelessness System Improvement, Comprehensive Housing and Counseling Program, Family Self-Sufficiency Program, Section 8 Performance Based Contract Administration, Housing Choice Voucher Program, Emergency Housing Voucher Program, Mainstream 5 Year Program, Coronavirus State and Local Fiscal Recovery Funds (Workforce Housing and Idaho Collateral Support Program), Federal Housing Administration Insured Mortgage Loans, and Public and Indian Housing Loan Guarantee program; three (3) U.S. Treasury programs---Tax Credit Assistance Program, Homeowner Assistance Fund, and Emergency Rental Assistance; one (1) Department of Veterans Affairs (VA) program---Guaranteed Mortgage Loans; and one (1) U.S. Department of Agriculture (USDA) program---USDA Rural Housing Services Insured Mortgage Loans. The Association also issues bonds to finance nonprofit facilities, economic development projects, and road improvements throughout the State of Idaho.

Financial Highlights

The Association reported a positive operating income during fiscal year 2025, reflecting continued robust loan acquisition production, a growing servicing portfolio, higher servicing revenue, and on-going cost containment measures. The sustained high interest rates experienced during the fiscal year drove up both interest income and interest expense as compared to the prior year. The Association continued to pursue its strategy of selling mortgage-backed securities via the most favorable avenue offered by the market. In fiscal year 2023, many sales were shifted into bond indentures rather than being immediately sold on the open market. Similar market conditions continued into fiscal year 2025. As a result, gain on loan sales reported on the Statements of Revenues, Expenses, and Changes in Net Position remained relatively comparable to the prior year.

The issuance of new bonds in fiscal year 2025 caused large increases to both the assets and liabilities of the Association's balance sheet. This activity was somewhat offset by existing mortgage-backed securities continuing to pay down, decreasing the liabilities and the associated assets. Other assets increased mostly due to receivables associated with real estate owned. The principal associated with the majority of these properties is guaranteed by insurance from the Federal Housing Administration, the Department of Veterans Affairs, or the United States Department of Agriculture.

The financial highlights of the Association as of June 30, 2025 compared to June 30, 2024, are as follows:

- Operating income increased from \$10.633 million to \$27.361 million which is an increase of \$16.728 million.
- Total net position, after fair market value and federal pass-through adjustments, increased \$56.009 million mainly attributable to positive operating income and an increase in the fair value of the Association's investments.
- Total assets and deferred outflows of resources increased \$1.183 billion or 24% mainly due to new bond issuances.
- Total liabilities and deferred inflows of resources increased \$1.127 billion or 27% mainly due to new bond issuances.

The Financial Analysis section of this Management's Discussion and Analysis includes a table that summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2025, 2024, and 2023, as well as the changes in net position.

Fiscal year 2025 was characterized by relatively stable interest rates and a continued strength in the real estate market in Idaho. The Association also experienced stable loan purchases of tax-exempt bond eligible loans by first time home buyers.

The Association has various joint-venture or subservicing relationships with Connecticut Housing Finance Authority (CHFA), Iowa Finance Authority (IFA), New Mexico Mortgage Finance Authority (MFA), South Dakota Housing Development Authority (SDHDA), Texas Department of Housing and Community Affairs (TDHCA), and Washington State Housing Finance Commission (WSHFC). The Association also has master servicing relationships with Oregon Housing and Community Services (OHCS), and Montana Board of Housing (MBOH).

Overall, the Association has successfully managed its loan and financing programs during this period. Looking forward, the Association, in line with market expectations, anticipates more uncertainty in the economic, legal, political, and mortgage-lending environments as volatilities in interest rates, tariffs, and inflation impacts the Association's business.

See the Financial Analysis section of this Management's Discussion and Analysis for additional information on the Government Accounting Standards Board (GASB) required fair value adjustments.

Overview of the Financial Statements

This annual financial report consists of three parts: Management's Discussion and Analysis; the financial statements, including notes to the financial statements; and supplemental schedules. Summary information is presented for separate mortgage revenue bond programs in the supplemental schedules.

According to the American Institute of Certified Public Accountants (AICPA), in its Audit Guide for Not-For-Profit Organizations, the Association meets the definition of a governmental entity and incorporates GASB accounting standards into its financial statements. However, due to the nature of the Association, it is considered a Special Purpose Governmental Entity engaged only in business-type activities. Accordingly, the Association uses Proprietary Enterprise Fund reporting and the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Association's financial statements provide detailed information about the most significant activities within the Proprietary Fund. Some of the activities are required by the Department of Housing and Urban Development (HUD) or by certain bond requirements. However, the Association has established others to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

Component units are organizations legally separate from but financially accountable to the Association and their relationship with the Association is such that exclusion would cause the Association's financial statements to be misleading. The Association has determined that The Housing Company, the Home Partnership Foundation, and IHFA Community Investment Holdings LLC are integral and material components of the Association's reporting entity and their respective financial statements have been incorporated as such.

Accordingly, The Housing Company's basic financial statements are presented immediately following the Association's basic financial statements while the Home Partnership Foundation's and IHFA Community Investment Holdings LLC's basic financial statements have been blended with the Association's basic financial statements.

Idaho Housing and Finance Association
Management's Discussion and Analysis
June 30, 2025 and 2024

Financial Analysis

The following table summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2025 and 2024, as well as the changes in net position.

for the Period Ended June 30, 2025 (in thousands)	2025		2024		2023
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Cash and cash equivalents (partially restricted)	\$ 590,265	9.7%	\$ 538,108	10.1%	\$ 488,665
Investments (partially held in trust)	3,077,370	26.3%	2,435,960	77.9%	1,368,916
Loans held for investment, net	322,717	12.3%	287,306	7.1%	268,183
Loans available for sale	157,061	81.7%	86,452	(8.3%)	94,289
Mortgage servicing rights	305,048	1.8%	299,781	26.0%	237,912
Government bond payments receivable	1,371,045	27.0%	1,079,191	28.7%	838,359
Capital assets and right of use leases	11,261	16.6%	9,660	(30.8%)	13,956
Derivative assets	1,822	130.9%	789	(72.4%)	2,855
Other assets	188,631	80.7%	104,389	(0.8%)	105,207
Interest rate swap contracts, amortized value	372	(51.1%)	760	(89.3%)	7,095
Interest rate swap contracts, fair value	614	(51.0%)	1,253	53.6%	816
Total assets and deferred outflow	\$ 6,026,206	24.4%	\$ 4,843,649	41.4%	\$ 3,426,253
Bonds and Notes	\$ 4,135,789	20.9%	\$ 3,420,498	72.6%	\$ 1,982,203
Short-term borrowings	608,864	119.2%	277,814	(28.5%)	388,370
Escrow and project reserve deposits	279,716	4.1%	268,798	31.9%	203,795
Investor remittance liability	155,261	44.0%	107,810	(0.8%)	108,700
Derivative liabilities	4,679	120.1%	2,126	(85.8%)	14,965
Other liabilities	125,890	18.1%	106,605	(27.9%)	147,953
Total liabilities and deferred inflow	\$ 5,310,199	26.9%	\$ 4,183,651	47.0%	\$ 2,845,986
Net investment in capital assets	10,215	12.8%	9,053	(29.2%)	12,779
Restricted	139,648	111.8%	65,937		62,560
Unrestricted	566,144	(3.2%)	585,008	15.9%	504,928
Total net position	\$ 716,007	8.5%	\$ 659,998	13.7%	\$ 580,267

Idaho Housing and Finance Association
Management's Discussion and Analysis
June 30, 2025 and 2024

For the years ended June 30,
(in thousands)

	2025		2024		2023
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Interest on cash and investments	\$ 128,176	37.7%	\$ 93,094	296.5%	\$ 23,479
Interest on loans receivable	72,778	18.3%	61,520	23.8%	49,690
Loan servicing revenues	86,296	11.7%	77,289	23.1%	62,803
Gain on sale of loans	12,271	(6.2%)	13,076	2.7%	12,733
Grant and contract administration fees	14,646	(11.6%)	16,571	(7.4%)	17,901
Other operating revenues	9,479	145.4%	3,862	(0.1%)	3,864
Total revenues	323,646	21.9%	265,412	55.7%	170,470
Interest expense	191,499	26.2%	151,700	112.9%	71,265
Salaries and benefits	38,026	8.2%	35,131	6.6%	32,956
General operating	28,788	33.8%	21,521	(5.2%)	22,704
Loan acquisition costs	30,159	(18.7%)	37,090	52.8%	24,277
Net provision for loan losses	4,874	8.3%	4,501	8.4%	4,154
Grants to others	330	(89.9%)	3,266	172.6%	1,198
Bond financing costs	171	52.7%	112	3.7%	108
Other operating expenses	2,438	67.2%	1,458	(8.4%)	1,591
Total expenses	296,285	16.3%	254,779	61.0%	158,253
Operating income/(loss)	27,361	157.3%	10,633	(13.0%)	12,217
Net increase (decrease) in fair value of investments	26,108	(699.2%)	(4,357)	(73.2%)	(16,250)
Net increase in fair value of servicing contracts	5,267	(91.5%)	61,869		(114,371)
Net increase (decrease) in fair value of derivatives	(3,058)	(124.9%)	12,305	(199.4%)	(12,376)
Federal/State pass-through revenues	95,923	(23.2%)	124,842	8.6%	114,918
Federal/State pass-through expenses	(95,592)	(23.9%)	(125,561)	9.5%	(114,633)
Total non-operating revenues and expenses	28,648	(58.5%)	69,098	(148.4%)	(142,712)
Increase/(decrease) in net position	\$ 56,009	(29.8%)	\$ 79,731	(161.1%)	\$ (130,495)

The fair value adjustments reported in the Statement of Net Position on page 10 and the Statement of Revenues, Expenses, and Changes in Net Position on page 11 are required under GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and No. 72, *Fair Value Measurement and Application*.

Capital Asset and Debt Administration

Capital Assets: The Association's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at \$11.261 million (net of accumulated depreciation).

The Association periodically sells bonds to investors to raise capital. Bonds are marketable securities-backed by mortgage loans on residential and multifamily properties. The Association's bond issues are highly rated because, in addition to a mortgage on the property being financed, the bond issue requires cash reserves along with mortgage insurance and other safeguards, giving the investor or bondholder additional assurance that the bond issuer (the Association) will repay the loan.

Additional information about our long-term liabilities is presented in the notes to the financial statements.

Economic Factors

The primary business activity of the Association is funding the purchase and servicing of single-family home mortgages. The Association's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Association loans and those available in the conventional mortgage markets and the availability of affordable housing. The availability of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Government National Mortgage Association (GNMA) to purchase loans or guarantee loan securities; the availability of the Federal Housing Administration (FHA), the Veterans Administration (VA), and the Department of Agriculture's Office of Rural Development (RD) to guarantee loans; the continuation of servicing relationships outside of Idaho; and the availability of long-term, tax-exempt financing on favorable terms are key elements in providing the resources necessary for the Association to continue its mortgage financing and servicing activities. In addition, the funding of the Association's federal programs activities is dependent on budget appropriations from the U.S. Department of Housing and Urban Development, as contained in the Federal budget.

Contacting the Association's Financial Management

This financial report is designed to provide a general overview of Idaho Housing and Finance Association's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller at Idaho Housing and Finance Association, P.O. Box 7899, Boise, ID 83707-1899, or contact our website at www.idahohousing.com.

Idaho Housing and Finance Association

Statements of Net Position

June 30, 2025 and 2024

(in thousands)

	2025	2024
Assets		
Cash and cash equivalents (partially restricted)	\$ 590,265	\$ 538,108
Investments (partially held in trust)	3,077,370	2,435,960
Loans held for investment, net	322,717	287,306
Loans available for sale	157,061	86,452
Mortgage servicing rights	305,048	299,781
Government bond payments receivable	1,371,045	1,079,191
Capital assets and right of use leases	11,261	9,660
Derivative assets	1,822	789
Other assets	188,631	104,389
Total assets	6,025,220	4,841,636
Deferred Outflow of Resources		
Interest rate swap contracts, amortized value	372	760
Interest rate swap contracts, fair value	614	1,253
Total deferred outflow of resources	986	2,013
Total assets and deferred outflow of resources	\$ 6,026,206	\$ 4,843,649
Liabilities		
Bonds and Notes	\$ 4,135,789	\$ 3,420,498
Short-term borrowings	608,864	277,814
Escrow and project reserve deposits	279,716	268,798
Investor remittance liability	155,261	107,810
Derivative liabilities	4,679	2,126
Other liabilities	125,890	106,605
Total liabilities	5,310,199	4,183,651
Net Position		
Net investment in capital assets	10,215	9,053
Restricted	139,648	65,937
Unrestricted	566,144	585,008
Total net position	716,007	659,998
Total liabilities, deferred inflow of resources, and net position	\$ 6,026,206	\$ 4,843,649

Idaho Housing and Finance Association
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024
(in thousands)

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Interest on cash and investments	\$ 128,176	\$ 93,094
Interest on loans receivable	72,778	61,520
Loan servicing revenues	86,296	77,289
Gain on sale of loans	12,271	13,076
Grant and contract administration fees	14,646	16,571
Other operating revenues	<u>9,479</u>	<u>3,862</u>
Total operating revenues	<u>323,646</u>	<u>265,412</u>
Operating Expenses		
Interest expense	191,499	151,700
Salaries and benefits	38,026	35,131
General operating	28,788	21,521
Loan acquisition costs	30,159	37,090
Net provision for loan losses	4,874	4,501
Grants to others	330	3,266
Bond financing costs	171	112
Other operating expenses	<u>2,438</u>	<u>1,458</u>
Total operating expenses	<u>296,285</u>	<u>254,779</u>
Operating Income	<u>27,361</u>	<u>10,633</u>
Nonoperating Revenues and (Expenses)		
Net increase (decrease) in fair value of investments	26,108	(4,357)
Net increase in fair value of servicing contracts	5,267	61,869
Net increase (decrease) in fair value of derivatives	(3,058)	12,305
Federal/State pass-through revenues	95,923	124,842
Federal/State pass-through expenses	<u>(95,592)</u>	<u>(125,561)</u>
Total nonoperating revenues and (expenses)	<u>28,648</u>	<u>69,098</u>
Increase in Net Position	56,009	79,731
Net Position, Beginning of Year	<u>659,998</u>	<u>580,267</u>
Net Position, End of Year	<u><u>\$ 716,007</u></u>	<u><u>\$ 659,998</u></u>

Idaho Housing and Finance Association

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

(in thousands)

	2025	2024
Operating Activities		
Receipts from customers, loan interest, and other	\$ 3,985,952	\$ 2,949,699
Loan principal payments	54,128	46,465
Principal and interest pass-through remittances as servicing agent	(3,860,206)	(2,711,105)
Escrow deposits	1,366,694	1,178,384
Escrow disbursements	(1,355,775)	(1,113,381)
Loan sales	6,733,629	6,938,867
Loan acquisition costs	(30,159)	(37,090)
Interest paid	(174,709)	(128,371)
Payments to suppliers	(4,119)	(485)
Payments for transportation program costs	85,188	28,737
Payments for loans available for sale	(7,028,461)	(7,200,582)
Payments to employees for services and benefits	(37,413)	(34,494)
Loan principal additions	(91,575)	(121,469)
Net Cash used for Operating Activities	(356,826)	(204,825)
Noncapital Financing Activities		
Bond financing	26,761	41,586
Bond and short-term borrowings payments	(979,275)	(993,966)
Bond and short-term borrowings issued	2,004,424	2,271,335
Federal pass-through revenues	95,923	124,842
Federal pass-through expenses	(95,592)	(125,561)
Net Cash from Noncapital Financing Activities	1,052,241	1,318,236
Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,860)	(265)
Net Cash used for Capital and Related Financing Activities	(1,860)	(265)
Investing Activities		
Proceeds from sale of assets	13	3,344
Investment purchases	(4,137,371)	(5,091,316)
Investment redemptions	3,367,784	3,931,175
Investment income	128,176	93,094
Net Cash used for Investing Activities	(641,398)	(1,063,703)
Net Change in Cash and Cash Equivalents	52,157	49,443
Cash and Cash Equivalents, Beginning of Year	538,108	488,665
Cash and Cash Equivalents, End of Year	\$ 590,265	\$ 538,108

Idaho Housing and Finance Association

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

(in thousands)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	\$ 27,361	\$ 10,633
Adjustments to reconcile operating income to net cash used for operating activities		
Loan principal received	54,128	46,465
Loans issued	(91,575)	(121,469)
Bond financing	26,761	41,586
Depreciation and other amortization	246	1,218
Changes in assets and liabilities		
Interest receivable	664	67
Interest payable	16,730	28,465
Interest on investments	(128,176)	(93,094)
Pledged revenues	(399,512)	(289,249)
Other assets	243,660	267,217
Accounts payable and other liabilities	(107,113)	(96,664)
	<u>(384,187)</u>	<u>(215,458)</u>
Net Cash used for Operating Activities	<u>\$ (356,826)</u>	<u>\$ (204,825)</u>

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Financial Position
 December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 14,714,576	\$ 11,111,062
Investments in subsidiaries	4,768	5,746
Restricted cash	6,751,128	5,968,851
Receivables	1,408,810	1,499,976
Mortgage proceeds held in trust	-	1,033,535
Prepaid expenses	809,855	705,280
Land	13,915,031	13,290,033
Buildings and equipment (net of accumulated depreciation)	114,808,913	94,060,326
Tax credit fees and other (net of accumulated amortization)	535,330	512,805
	<u>\$ 152,948,411</u>	<u>\$ 128,187,614</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 2,859,550	\$ 1,763,962
Interest payable	413,750	295,492
Real estate taxes payable	458,117	431,655
Long-term debt (net of unamortized debt issuance costs)	87,619,392	71,762,177
Security deposits payable	523,923	508,991
	<u>91,874,732</u>	<u>74,762,277</u>
Net Assets Without Donor Restrictions		
Controlling interests	12,994,260	11,200,892
Noncontrolling interests	48,079,419	42,224,445
	<u>\$ 152,948,411</u>	<u>\$ 128,187,614</u>

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Activities
 Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Tenant rents	\$ 13,361,230	\$ 12,261,365
Housing assistance payments	2,851,568	2,741,011
Grants and other contributions	1,889,112	434,130
Interest and dividends	399,681	370,983
Forgiveness of debt on tax credit exchange loan	310,605	310,605
Property management services	249,268	245,674
Other	380,240	503,823
Total revenues	<u>19,441,704</u>	<u>16,867,591</u>
Expenses		
Administrative	4,962,505	4,418,331
Utilities and maintenance	4,524,345	4,070,890
Real estate taxes and insurance	2,085,298	1,880,556
Depreciation and amortization	6,329,999	6,188,987
Interest	2,327,767	2,323,812
Total expenses	<u>20,229,914</u>	<u>18,882,576</u>
Net Operating Loss	(788,210)	(2,014,985)
Non-Operating Expenses		
Loss on disposal of assets	(427,409)	(179,020)
Gain or loss in subsidiaries	(977)	(831)
Total net assets without donor restrictions before noncontrolling Interests	(1,216,596)	(2,194,836)
Noncontrolling Interests in Partnership Losses	<u>3,009,964</u>	<u>2,921,190</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 1,793,368</u>	<u>\$ 726,354</u>

Note 1 - Authorizing Legislation

The Idaho Housing and Finance Association (Association) is created, as an independent public body corporate and politic, by the Idaho Legislature under the provisions of Chapter 62, Title 67 of the Idaho Code, as amended by the Act. The Act empowers the Association, among other things, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of limited income residing in Idaho and, in addition, to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build and rehabilitate residential housing for such persons; to issue notes and bonds in furtherance of its purpose of financing economic development projects in partnership with private financial institutions and State and local economic development entities; and to issue notes and bonds to finance projects that improve the transportation infrastructure in Idaho.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Association, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain accounts along with the accounting policies of such accounts. Association administrative obligations from bond and other housing programs extend to the year 2056.

Note 2 - Summary of Significant Accounting Policies**Basis of Accounting**

The accounting and reporting policies of the Association conform to generally accepted accounting principles of the Governmental Accounting Standards Board (GASB) and follow the accrual basis of accounting. The Association is accounted for as an Enterprise Fund.

The accompanying combined financial statements include the accounts of the Enterprise Fund of the Association. All inter-fund balances and transactions have been eliminated.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Association's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

Reporting Entity

Although the State of Idaho considers the Association a component unit for financial reporting purposes in accordance with GASB Statement No. 61, *The Financial Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and the State's governor appoints the Board of Commissioners of the Association, the Association is legally separate from the State of Idaho, is not a State agency under State law, and uses no State funds or State employees to support its operations.

The Home Partnership Foundation (HPF), The Housing Company (THC), and IHFA Community Investment Holdings LLC (ICIH LLC) are component units of the Association and the financial statements of each have been incorporated into these financial statements and notes. The degree of control governs the reporting presentation; as such, HPF's and ICIH LLC's presentations have been blended and THC's presentation has been discretely presented.

HPF and ICIH LLC report under GASB standards in the same manner as the Association with the same fiscal year-end. THC reports under FASB standards, including FASB ASC 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to THC's entity presentation in the Association's financial statements for these differences. THC uses a calendar year basis as its fiscal year and the most recent audited financial statements are presented as of December 31, 2024.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the collectability of receivables, determining the recoverability on other real estate owned property, the fair value of interest rate swaps, and loan servicing contracts. It is at least reasonably possible that the significant estimates used will change within the next year.

Program Accounting

Financial activities of the Association are recorded in business units established under various bond indentures and bond resolutions and in business units established for the administration of the various programs empowered by the Act.

Business Operations includes the General Operating business unit and various custodial accounts established to administer the ongoing responsibilities of programs maintained by the Association. Direct administrative and operational activities, including the operating expenses of various programs, are recorded in this business unit. Revenues are primarily generated from fees earned for administering federal programs, fees earned for servicing loans, and earnings on investments held to finance future programs.

The Federally Assisted Program area was established to account for activities directly related to the limited-income rental assistance and other related programs funded by the U.S. Department of Housing and Urban Development (HUD). This business unit is primarily used for housing assistance pass-through funds and for properties owned and utilized in affordable housing programs. The funding of the Association's federal programs activities is dependent on budget appropriations from HUD, as contained in the Federal budget.

The Affordable Housing Investment Trust was established to account for activities intended for affordable housing projects in Idaho. This business unit consists primarily of investments and loans receivable and the earnings thereon, as well as the residual income generated through Business Operations each year.

The Rating Compliance and Loan Guaranty Trust, established to account for activities intended to meet bond rating agency requirements for asset security and bond debt service liquidity. This business unit consists primarily of investments and loans receivable and earnings thereon.

Single-Family Mortgage Bonds, established under separate trust indentures, account for the proceeds from the sale of Single-Family Mortgage Bonds and the debt service requirements of these bonds. Activities within these business units are, in general, limited to the purchase of mortgage loans made by mortgage lenders to qualifying, limited-income persons for single-family, owner-occupied housing in Idaho.

Grant and Revenue Anticipation Bonds (GARVEE) and Transportation Expansion/Congestion Mitigation (TECM), established under a separate trust indenture, account for the proceeds from the sale of GARVEE/TECM Bonds and the debt service requirements of these bonds. The GARVEE/TECM Bonds program allows the Association to advance funds to the State of Idaho for improving and enhancing the State's highway infrastructure.

Tax-exempt mortgage-backed securities (TEMS), established under a separate trust indenture, account for the pass-through activities associated with TEMS. TEMS are tax-exempt securities which are collateralized by mortgage loan pools. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. The Ginnie Mae trustee holds the deed of trust and the first lien on the properties that underlie the mortgages in a trust that benefits the Association as mortgage pool owner as well as Ginnie Mae as mortgage pool guarantor.

Cash and Cash Equivalents

Cash and cash equivalents include General Operating Account cash, Federally Assisted Program cash and Affordable Housing Investment Trust cash held at Zions Bank. Investments with maturities of less than three months at the date of purchase are also included in cash and cash equivalents. Non-escrow cash and cash equivalents deposited at Zions Bank are collateralized with U.S. Treasury obligations and U.S. Agency obligations and are held by Zions Bank in the Association's name. Custodial credit risk is the risk that the Association's deposits may not be returned in the event of a bank failure. The Association does not have a formal deposit policy for custodial credit risk. In the opinion of management, the Association is adequately protected from this risk at June 30, 2025 and 2024. Restricted cash as of June 30, 2025, consists of \$44.878 million in Federal Programs, \$302.198 million in escrow deposits, and \$176.114 million in General Operating. Restricted cash as of June 30, 2024 consists of \$56.275 million in Federal Programs, \$284.932 million in escrow deposits, and \$123.959 million in General Operating.

Bond Financing Costs/Bond Financing Cost Expense

Bond financing costs are expensed in the period incurred.

Loan Sale Gains, Acquisition Costs, and Servicing Contracts

GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* establishes criteria for determining the reporting of proceeds from loan sales. This standard provides that net gain or loss on a sale be calculated by subtracting the carrying value of loans from the proceeds. Since the Association's seller/servicing relationships are independent of the loan acquisition process, service release premiums paid are included in the carrying value of loans and are reported as loan acquisition costs and expensed in the current period. Statement No. 48 does not require an analysis of, or valuation of servicing contracts created in the sales process.

Mortgage Servicing Rights (MSR) is an asset that represents the rights to service mortgage loans for others. The Association recognizes MSR when loans are sold, securitized, or acquired. The Association has adopted a principle of valuing these servicing contracts determined by FASB ASC 860 *Transfers and Servicing* and reported using GASB Statement No. 72 *Fair Value Measurement and Application Guidance*. The Association reports MSR at fair values in the Statements of Net Position and changes in the fair value reported in the Statements of Revenues, Expenses, and Changes in Net Position. The Association uses the services of a reputable, nationally recognized company to estimate the fair value of MSR. The Association calculates the present value of estimated future net servicing income and incorporates inputs and assumptions that market participants use in estimating fair value. MSR is fair valued using a third-party proprietary financial model (Level 3 input).

During the years of June 30, 2025 and 2024 the Association has MSR fair valued on its statements of net position at \$305.048 million and \$299.781. During the years ended June 30, 2025 and 2024, the Association had an unrealized MSR fair value increase of \$5.267 million and \$61.869 million, respectively. The Association holds these assets until maturity meaning that the value will ultimately be realized over a long-time horizon as loan servicing fees.

Risks considered in determination of MSR fair value include prepayment speeds, market discount rates, delinquency and foreclosure rates, and interest rate change shock rates. Assumptions included prepayment speeds, market interest rates, earnings rates, servicing costs, acquisition costs, ancillary income, and borrower rates. The average discount rate used in this analysis was 10.87%. The range of prepayment speeds used were from 62 to 216 PSA with an average of 157 PSA.

Federally Assisted Program Advances and Fees

In accordance with the terms of contracts between the Association and HUD, the Association administers rental assistance programs as HUD's agent in certain areas of Idaho. Under these programs, persons of limited income receive rental subsidies from HUD through the Association. HUD advances funds sufficient to cover the monthly housing assistance payments and the Association's management service fees. These management service fees are recognized as revenue to the Association when earned. Federal Pass-Through Revenues and Expenses on the Statement of Revenues, Expenses and Changes in Net Position represent housing assistance payments and related federal funding that is passed through the Association to carry out such programs. Federal program revenues are recorded when all eligibility requirements have been met.

Capital Assets

Capital Assets held by the General Operating and Federally Assisted Program Accounts are recorded at cost and depreciated over the estimated useful lives of the related assets. The Association uses the straight-line method of depreciation with estimated lives of three to seven years for office and computer equipment and 40 years for real property and buildings. Depreciation expense for the years ending June 30, 2025 and 2024, was \$0.749 million and 0.716 million. Capital Assets are presented in the Statement of Net Position, net of accumulated depreciation at \$10.213 million and \$9.053 million at June 30, 2025 and 2024, respectively.

Provisions for Loan Losses

Periodic evaluation of the loans receivable portfolio is performed in order to determine whether an allowance for loan losses should be established and reflected in current operations. The evaluation of a loan loss provision considers both loans receivable and real estate owned (REO) property, estimated value of the collateral, subsidies, guarantees, mortgage insurance, economic conditions, and historical loss experience for each loan type. The provision's charge against current operations considers holding costs, including accrued interest.

The Association has established an allowance for losses in the General Operating Account on recourse obligations related to FNMA-held, FHLMC-held, and GNMA-secured loan foreclosures. The Association estimates this amount to be \$8.500 million as of June 30, 2025 and \$8.064 million as of June 30, 2024. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loan losses not recoverable. As of June 30, 2025 and 2024, the Association estimates this amount to be \$0.834 million and \$0.834 million. Actual losses are charged against this provision and allocated, via an operating transfer, on a pro-rata basis to bond trusts with current year losses. The Association has established an allowance for loan losses in the Affordable Housing Investment Trust for Association down payment assistance loans due to the forgivability on an Association-held primary loan. The Association has established an allowance for forgivable loans in the Affordable Housing Investment Trust for Association down payment assistance loans not recoverable due to borrowers meeting their obligation on the primary loan and therefore qualifying for loan forgiveness. The Association estimates that amount to be \$8.324 million and \$9.405 million as of June 30, 2025 and 2024, respectively.

Generally, loans in default are reported in Loans until foreclosed. A loan is considered past due when payment is 30 days late. When payment is 90 days late, a 30-day demand to "pay in full or bring the account current" letter is issued. If payment is not made and payment is 120 days late, the loan is then moved to the foreclosure process. Once a loan is foreclosed, it is reclassified from Loans to Other Assets as REO mortgage receivable, pending recovery from the relevant source(s) of security and subject to indemnification limitations of those guarantors and insurance providers.

Escrow and Project Reserve Deposits

Escrow and project reserve deposits represent amounts held by the Association for insurance, real estate taxes and as reserves for replacement and operation. The Association invests these funds and allows earnings on multifamily project escrows to accrue to the benefit of the mortgagors of those projects. All escrow and project reserve deposits are included in Cash and Cash Equivalents in the Statement of Net Position.

Investor Remittance Liability

Investor Remittance Liability is composed of borrower principal and interest payment funds held by the Association pending remittance to the owners of the loans, primarily GNMA, FNMA, and FHLMC. These funds are remitted according to the loan owners' contractual requirements, which vary, but in no case exceed 30 days. Investor Remittance liabilities payable were \$155.261 million and \$107.810 million at June 30, 2025 and 2024 respectively.

Short-Term and Other Borrowings

The Association has a commercial paper facility that provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Additionally, the Association has three lines of bank revolving credit facilities, and a warehouse facility with Federal Home Loan Bank.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at the lower of cost basis in the loan or fair value at the date of foreclosure less estimated costs to sell, establishing a new cost basis. After foreclosure, valuations are periodically performed by management and the asset is carried at the lower of cost or fair value less cost to sell. Expenses from operations are included in other expenses. Revenues, net gains and losses on sales, other disposals of real estate owned, and changes in valuation are included in losses on real estate-owned property.

Net Position

Net Position, the amount total assets plus deferred outflows of resources exceeding total liabilities plus deferred inflow of resources, is an aggregation of all Association bond trust and program accounts. Restricted net positions are those required to meet the various covenants as defined in bond indentures or other laws or regulations. Designated net position indicates that position set aside at the discretion of the Association to be used for a specific purpose and not for general operations. Net position in the amount of \$133.601 million and \$61.539 million at June 30, 2025 and 2024, respectively, are restricted by bond indentures and programmatic requirements; \$3.933 million and \$2.434 million are restricted, associated with Federal Programs; and \$2.114 million and \$1.964 million are restricted, associated with the Home Partnership Foundation. Unrestricted net position includes \$13.492 million and \$9.700 million associated with the IHFA Community Investment Holdings, LLC and \$522.652 million and \$575.308 million, respectively, associated with general operating business at June 30, 2025 and 2024.

Classification of Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) interest on loans and investments and (2) administration and loan servicing fees. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) federal pass-through awards, (2) change in the fair value of investments, and (3) any other revenue sources that the Association may receive that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

New Accounting Principles

GASB has issued the following standards effective for fiscal year 2025:

GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102 *Certain Risk Disclosures*. The Association's implementation of GASB Statement No. 101 is documented in footnote 7 which covers compensated absences. The Association had already been accruing for compensated absences, so the only result of the implementation was the additional disclosures in the footnote. In the opinion of the management, GASB Statement No. 102 does not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standards effective for fiscal year 2026 or later:

GASB Statement No. 103 Financial Reporting Model Improvements and GASB Statement No. 104, Disclosure of Certain Capital Assets. Management has not fully studied these standards but is of the opinion that any impact will be minimal.

Note 3 - Investments

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application* require certain investments be reported at fair value in the Statements of Net Position. The Association reports all investments at fair value in the Statements of Net Position. The Association has entered into investing agreements with Zions Bank where excess cash balances (classified as cash and cash equivalents) are invested overnight in money market mutual funds and repurchase agreements. Investments are held in the Association's account in the name of the respective bank. As of June 30, 2025 and 2024, the Association has overnight investments of \$23.323 million and \$41.374, respectively.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value focuses on market price from the perspective of a seller (exit price). The fair value of a financial asset is determined based on real or potential market transactions in the Association's principal market, or in the absence of a principal market, the Association's most advantageous market. The fair value of a nonfinancial asset takes into account the highest and best use of that asset, which normally is presumed its current use. A fair value measurement of a liability assumes that the liability would be transferred to a market participant and not settled with the counterparty (such as certain liabilities related to derivatives). Therefore, the fair value would be the price that would have to be paid for a third party to assume the liability, not the price that would have to be paid to the counterparty to settle the obligation. GASB Statement No. 72 explains that the Association may determine the market price of an asset in one of three ways: 1) actual market transactions for identical or similar items (market approach); 2) the current cost to replace the service capacity of an asset (cost approach); or 3) discounting the current value of future cash flows (income approach). It also establishes a three-tier hierarchy of input quality as follows:

- Level 1 inputs---quoted prices in active markets for identical items;
- Level 2 inputs---directly or indirectly observable prices, but not Level 1; and
- Level 3 inputs---unobservable inputs such as financial models.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

As of June 30, 2025, the Association categorizes the combined fair value of \$3.077 billion of Investments and Investments held in trust within this hierarchy. Money market funds of \$365.713 million, U.S. Agency obligations of \$3.610 million, U.S. Agency pooled obligations of \$1.997 billion, U.S. Government mortgage-backed securities of \$210.624 million, U.S. Treasury bonds of \$301.068 million, Municipal bonds of \$1.700 million, guaranteed investment contracts of \$183.497 million, and accrued interest of \$14.196 million are valued using quoted market prices (Level 1). Interest rate swaps of \$(0.326) million are valued using a propriety-pricing model (Level 2).

As of June 30, 2024, the Association categorizes the combined fair value of \$2.436 billion of Investments and Investments held in trust within this hierarchy. Money market funds of \$249.439 million, U.S. Agency obligations of \$1.565 billion, U.S. Government mortgage-backed securities of \$39.718 million, U.S. Treasury bonds of \$223.883 million, Municipal bonds of \$1.800 million, guaranteed investment contracts of \$345.459 million, and accrued interest of \$10.744 million are valued using quoted market prices (Level 1). Interest rate swaps of \$(0.182) million are valued using a propriety-pricing model (Level 2).

Interest Rate Risk: The Association has adopted bond indentures, bond resolutions, and trust resolutions as policy for the determination of investment maturities. These indentures and resolutions provide that investment maturities be based upon the cash requirements of the Association's accounts, as determined by authorized Association investment officers.

June 30, 2025		Investment Maturities (in Years)							
Investment Type	Fair Value	Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ (326)	\$ (326)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	365,713	365,713	-	-	-	-	-	-	-
U.S. Agency obligations	3,610	-	743	2,048	819	-	-	-	-
U.S. Agency/Pooled obligation	1,997,288	-	-	-	-	-	11,564	1,920,317	65,407
U.S. Government mortgage backed securities	210,624	210,624	-	-	-	-	-	-	-
U.S. Treasury Bonds	301,068	78,950	222,118	-	-	-	-	-	-
Municipal Bonds	1,700	-	-	-	-	-	700	1,000	-
Guaranteed Investment Contract	183,497	-	183,497	-	-	-	-	-	-
	<u>\$ 3,063,174</u>	<u>\$654,961</u>	<u>\$406,358</u>	<u>\$2,048</u>	<u>\$ 819</u>	<u>\$ -</u>	<u>\$12,264</u>	<u>\$1,921,317</u>	<u>\$ 65,407</u>
Accrued interest	14,196								
All Investments	<u>\$ 3,077,370</u>								

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

June 30, 2024		Investment Maturities (in Years)							
Investment Type	Fair Value	Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ (182)	\$ -	\$ (182)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	249,439	249,439	-	-	-	-	-	-	-
U.S. Agency obligations	6,560	2,976	406	2,430	748	-	-	-	-
U.S. Agency/Pooled obligation	1,558,539	-	-	-	-	-	-	1,529,738	28,801
U.S. Government mortgage backed securities	39,718	39,718	-	-	-	-	-	-	-
U.S. Treasury Bonds	223,883	24	223,859	-	-	-	-	-	-
Municipal Bonds	1,800	-	-	-	-	-	800	1,000	-
Guaranteed Investment Contract	345,459	-	345,459	-	-	-	-	-	-
	<u>\$ 2,425,216</u>	<u>\$292,157</u>	<u>\$ 569,542</u>	<u>\$ 2,430</u>	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 1,530,738</u>	<u>\$ 28,801</u>
Accrued interest	10,744								
All Investments	<u>\$ 2,435,960</u>								

At June 30, 2025, the Association had 1,105 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2024, the Association had 843 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2025, the Association had \$8.975 million in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. The Association pays fixed-rate payments between 3.7% and 5.0% and receives variable rate payments based on SIFMA (Securities Industry and Financial Markets Association) and LIBOR (London Interbank Offered Rate) indices. The Association entered into the swap contracts in November 2008, which mature between 2025 and 2029. These contracts are not rated.

At June 30, 2024, the Association had \$17.560 million in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. The Association pays fixed-rate payments between 3.7% and 5.5% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered into the swap contracts in November 2008, which mature between 2024 and 2030. These contracts are not rated.

At June 30, 2025 and 2024, the Association has \$492.500 million and \$250.000 million, respectively, in forward sales contracts ("To Be Announced" or "TBA" contracts) or GNMA securities in order to lock in the sales price for the securitization of single-family loans.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

Credit Risk: Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Association. Program account investments are restricted to those empowered by the Act or by Federal regulations. The Association has adopted resolutions as policy for the Affordable Housing Investment, Loan Guarantee Trusts, and Business Operations investments. As of June 30, 2025 and 2024, the Association's investments were rated by Moody's Investor Service as follows (in thousands):

Investment Type	Rating	2025
U.S. Agency Obligations	Aa1	\$ 2,000,898
Money market funds	Aaa	365,713
U.S. Government mortgage backed securities	Aaa	210,624
U.S. Treasury Bonds	Aa1	301,068
Municipal Bonds (Maine)	Aa1	1,000
Municipal Bonds (New York)	Aa2	700
Guaranteed Investment Contract	A1	183,497

The Association's U.S. government and U.S. agency obligations are held by the Association's trustee in the Association's name. Corporate and other obligations are held by the Association's trustee in either the Association's account or in the Association's name.

Investment agreements are non-participating investments with financial institutions, are carried at cost, and not rated by rating agencies. Securities are not used as collateral for these investment agreements. Investment agreements are structured for both short-term and long-term bond proceeds in connection with the Association's single-family mortgage bond programs. Financial institutions providing the agreements have been rated by nationally recognized rating agencies at debt ratings sufficient to rate the Association's mortgage revenue bonds investment grade by those rating agencies.

Concentration of Credit Risk: The Association places no limit on the amount the Association may invest in any one issuer. The Affordable Housing Investment Trust investment policy places limits on the amounts the Association may invest in certain types of investments authorized by the Act.

As of June 30, 2025, the Association had investments of five percent or more in Ginnie Mae obligations of \$1.750 billion, Fidelity obligations of \$365.141 million, U.S. Treasury Note obligations of \$300.916 million, Federal Home Loan Bank obligations of \$210.727 million, and Natixis obligations of \$183.5497 million.

As of June 30, 2024, the Association had investments of five percent or more in Ginnie Mae obligations of \$1.300 billion, Natixis obligations of \$345.459 million, Fidelity obligations of \$248.891 million, U.S. Treasury Note obligations of \$223.705 million and Federal National Mortgage Association obligations of \$140.886 million.

During the years ended June 30, 2025 and 2024, the Association realized net gains of \$3.929 million and \$7.714 million, respectively, from sales of investments. The calculation of realized gains is independent of the calculation of the change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in a current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net change in the fair value of investments as of June 30, 2025 and 2024, were a \$24.782 million and \$4.993 decrease, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the fiscal year. Included in the amount for the years ending June 30, 2025 and 2024, was a decrease of \$0.143 and \$2.481 million, respectively, related to derivative interest rate swap contracts fair market value considered investments.

The unrealized gain on investments held at June 30, 2025 was \$4.491 million and the unrealized loss on investments held at June 30, 2024, was \$19.950 million. The Association matches the duration of its investments with the maturity debt in various bond accounts, and therefore, does not anticipate material unrealized gains or losses to be realized. For the years ending June 30, 2025 and 2024, the Association's financial report uses GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, to report derivative interest rate swap and forward sale contracts.

Note 4 - Loans Held for Investment and Loans Serviced as Agent

The Association has single-family, multifamily and other loans. The majority of the Association's loan portfolio consists of single-family mortgage loans to persons of limited income residing in Idaho. The Association has obtained various levels of security for loans. All loans are secured by mortgages or deeds of trust on the related properties. Additionally, loans are insured or guaranteed by the federal government, commercial mortgage insurers or by Association self-insurance reserves. In some cases, as required by bond resolutions or bond indentures, master mortgage guaranty insurance (pool insurance) provides a final level of security for certain losses sustained by reason of default, which are in excess of FHA, VA or primary insurance.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

A summary of security for loans as of June 30, 2025, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	2025 Total
FHA Insurance	\$ 95,898	\$ -	\$ 95,898
VA Guaranteed	9,126	-	9,126
Commercially Insured	19,016	2,242	21,258
USDA Rural Development Insurance	8,188	-	8,188
Association Insured	12,610	-	12,610
Public Indian Housing	196	-	196
	<u>\$ 145,034</u>	<u>\$ 2,242</u>	147,276
Other			
Single Family IHFA Capital Pool			5,770
Multifamily IHFA Capital Pool			1,894
Social Service and Development IHFA Capital Pool			121,030
Construction			10,051
State Small Business Credit Initiative			35,278
SRP			2,016
Loan Loss Provision on Forgivable Loans			(8,324)
Loan Loss Provision			(835)
Loans Pending Modification			5,888
Interest Receivable on Loans			<u>2,673</u>
Total loans held for investment, net			<u>\$ 322,717</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

A summary of security for loans as of June 30, 2024, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	2024 Total
FHA Insurance	\$ 84,583	\$ -	\$ 84,583
VA Guaranteed	7,258	-	7,258
Commercially Insured	18,385	1,645	20,030
USDA Rural Development Insurance	9,902	-	9,902
Association Insured	13,280	-	13,280
Public Indian Housing	91	-	91
	<u>\$ 133,499</u>	<u>\$ 1,645</u>	135,144
Other			
Single Family IHFA Capital Pool			2,524
Multifamily IHFA Capital Pool			2,033
Social Service and Development IHFA Capital Pool			124,475
Construction			8,780
State Small Business Credit Initiative			18,628
SRP			2,187
Loan Loss Provision on Forgivable Loans			(9,405)
Loan Loss Provision			(834)
Loans Pending Modification			1,765
Interest Receivable on Loans			<u>2,009</u>
Total loans held for investment, net			<u>\$ 287,306</u>

As of June 30, 2025 and 2024, the loans receivable includes \$2.032 million and \$2.735 million, respectively, in notes receivable from The Housing Company (THC), which require repayment within 15 years and 16 years, respectively. The notes are secured by various multifamily housing projects and accrue interest at 4.50 percent.

Construction, bridge and permanent financing, and multifamily projects, throughout Idaho are included as "Other." In addition to holding a first lien on the majority of these loans, performance bonds are in place to ensure completion of the projects under construction.

Interest charged on loans ranged from approximately 0 to 10.13 percent during fiscal year 2025. Loan interest rates are fixed over the loan term at levels exceeding yields on corresponding debt issued to purchase the loans. Federal tax law limits such excess yields. Loan terms range from less than one year to 40 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement. A master servicing arrangement was implemented beginning with the 1983 Series B Single-Family Mortgage purchase program. The mortgage servicer may, but need not, be a lending institution and a program participant.

The Association records loan servicing fee income, which is netted out of interest income. Fees are collected in the general operating account, and the principal and remaining interest are remitted to the loan owner or its trustee.

Mortgage loans to be serviced externally or by the Association are purchased at par or a discount of one to two percent of the outstanding principal balance as of the date of purchase. For loans serviced, but not owned, by the Association, loans are purchased at a premium of up to 3%, at par, or a discount of 1% or 2% of the outstanding principal balance is paid to the originating lender as of the date of purchase as consideration for the assignment of the servicing rights.

Loans and bonds are valued at their carrying amounts, which approximate par value. Due to the structured financing characteristics of the Association's bond issues and restrictions under various trust indentures, the Association is restricted from selling loans at a value that would impair its ability to service the bonds to which those loans are specifically pledged. These loans are specifically identified with a particular bond issue and pledged under the applicable trust indenture. Any changes in market interest rates subsequent to bond issuance and loan origination would be expected to approximate an equal impact on the fair value of the bonds and the related mortgages, if sold. The Association establishes the yield spread between the interest rate on the mortgages and related tax-exempt bonds to not exceed 1.125 percent, the maximum allowed by Section 143 of the Internal Revenue Code.

Loans originated and intended for sale to FNMA or FHLMC or securitized through GNMA are carried at the lower of aggregate cost or fair value. IHFA services loans sold to FNMA or FHLMC or secured by GNMA. Gains or losses are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold. Net unrealized losses are charged to Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Position.

Loans available for sale are determined as a function of the Association's liquidity preference, customer preference, contractual requirements, and regulatory requirements. For the fiscal years ending June 30, 2025 and 2024, the Association realized \$12.271 million and \$13.076 million, respectively, in gains on the sale of loans to FNMA, FHLMC, and GNMA. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$228.363 million and \$50.779 million, respectively, of single-family mortgages to FNMA and FHLMC or through GNMA. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$54.720 million and \$74.193 million, respectively, of single-family mortgages on behalf of Connecticut Housing Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$67.550 million and \$53.174 million, respectively, of single-family mortgages on behalf of South Dakota Housing Development Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$26.756 million and \$30.917 million, respectively, of single-family mortgages on behalf of Iowa Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$44.867 million and \$51.967 million, respectively, on behalf of New Mexico Mortgage Finance Authority. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$1.853 million and \$54.445 million, respectively on behalf of Texas Department of Housing and Community Affairs. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$146.804 million and \$117.717 million, respectively on behalf of Washington State Housing Finance Commission. As of June 30, 2025 and 2024, the Association had commitments to sell or secure \$20.680 million and \$2.954 million, respectively on behalf of Oregon Housing and Community Services Department. As of June 30, 2025, the Association had commitments to sell or secure \$13.313 million on behalf of Montana Board of Housing.

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Notes to Financial Statements

June 30, 2025 and 2024

As of June 30, 2025 and 2024, the Association estimates \$57.119 million and \$46.638 million, respectively, of loans receivable as current. Estimates consider loan principal due during the next twelve months plus anticipated prepayments made on outstanding principal balances. The Association had commitments to purchase \$1,068.519 million and \$1,140.554 million, respectively of single-family mortgages, which had not yet been funded as of June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Association was an agent for the following loans (in thousands):

Loans serviced as agent	2025	2024
Federal Home Loan Mortgage Corporation	\$ 4,655,432	\$ 3,610,711
Federal National Mortgage Association	7,787,850	7,377,045
Government National Mortgage Association	23,586,377	20,565,882
Iowa Finance Authority	91,140	68,311
Connecticut Housing Finance Authority	200,403	227,743
South Dakota Housing Development Authority	115,551	96,810
New Mexico Mortgage Finance Authority	65,930	67,231
Texas Department of Housing and Community Affairs	330,594	391,571
Washington State Housing Finance Commission	414,729	276,018
Montana Board of Housing	1,247	-
Oregon Housing and Community Services	6,948	1,697
Idaho Community Reinvestment Corporation	10,181	10,471
Neighborhood Housing Services	2,489	2,511
Boise Valley Habitat	850	684
Lewiston-Clarkston Habitat for Humanity	1,220	1,055
HOME Loan Balances	90,224	87,414
Neighborhood Stabilization Program	13,761	11,132
Housing Trust Fund	14,944	14,019
Workforce Housing	35,755	24,180
Tax Credit Assistance Program	10,051	10,051
TCEP Loan Program	3,654	5,349
Other	3,592	4,010
Total loans serviced as agent	<u>\$ 37,442,922</u>	<u>\$ 32,853,895</u>

Note 5 - Capital Assets and Leases

A summary of activity in the capital assets and leases is as follows:

(in thousands)	Balance at July 1, 2024	Additions	Reclass	Retirements	Balance at June 30, 2025
Capital assets					
Land	\$ 2,183	\$ 664	\$ -	\$ -	\$ 2,847
Buildings and improvements	9,755	939	-	-	10,694
Furniture and equipment	5,634	222	-	(483)	5,373
Leasehold improvements	872	-	-	-	872
Computer software	391	34	-	-	425
Total capital assets	18,835	1,859	-	(483)	20,211
Less accumulated depreciation for					
Buildings and improvements	(4,075)	(259)	-	-	(4,334)
Furniture and equipment	(4,930)	(430)	-	534	(4,826)
Leasehold improvements	(415)	(35)	-	-	(450)
Computer software	(362)	(25)	-	-	(387)
Total accumulated depreciation	(9,782)	(749)	-	534	(9,997)
Right of Use Asset					
	July 1, 2024	Additions		Deletions	June 30, 2025
Office space	\$ 3,479	\$ 1,006		\$ (2,758)	\$ 1,727
Amortization	(2,872)	(580)		2,771	(680)
Total Right-to-Use Asset	\$ 607	\$ 426		\$ 13	\$ 1,047
Total capital assets, net	\$ 9,660	\$ 1,536	\$ -	\$ 64	\$ 11,261

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Notes to Financial Statements

June 30, 2025 and 2024

(in thousands)	Balance at July 1, 2023	Additions	Reclass	Retirements	Balance at June 30, 2024
Capital assets					
Land	\$ 5,404	\$ -	\$ -	\$ (3,221)	\$ 2,183
Buildings and improvements	9,732	23	-	-	9,755
Furniture and equipment	5,522	156	-	(44)	5,634
Leasehold improvements	872	-	-	-	872
Computer software	359	32	-	-	391
Total capital assets	21,889	211	-	(3,265)	18,835
Less accumulated depreciation for					
Buildings and improvements	(3,827)	(248)	-	-	(4,075)
Furniture and equipment	(4,550)	(424)	-	44	(4,930)
Leasehold improvements	(380)	(35)	-	-	(415)
Computer software	(353)	(9)	-	-	(362)
Total accumulated depreciation	(9,110)	(716)	-	44	(9,782)
Right of Use Asset					
	<u>July 1, 2023</u>	<u>Additions</u>		<u>Deletions</u>	<u>June 30, 2024</u>
Office space	\$ 3,479	\$ -		\$ -	\$ 3,479
Equipment	262	-		(262)	-
Amortization	(2,564)	(570)		262	(2,872)
Total Right-to-Use Asset	\$ 1,177	\$ (570)		\$ -	\$ 607
Total capital assets, net	\$ 13,956	\$ (1,075)	\$ -	\$ (3,221)	\$ 9,660

At June 30, 2025 and 2024, the Association has recognized right-to-use assets of \$1.047 million and \$0.607 million and lease liabilities of \$1.061 million and \$0.678 million respectively. During the fiscal years, the Association recorded \$0.426 million and \$(0.570) million in amortization expense and \$0.039 million and \$0.014 in interest expense.

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Notes to Financial Statements

June 30, 2025 and 2024

Remaining obligations associated with these leases are as follows:

<u>June 30, 2025</u>	<u>Period</u>	<u>Interest</u>
2025	\$ 601	\$ 31
2026	450	8
2027	10	-
2028	-	-
2029	-	-
Total	<u>\$ 1,061</u>	<u>\$ 39</u>
<u>June 30, 2024</u>	<u>Period</u>	<u>Interest</u>
2025	\$ 503	\$ 10
2026	108	3
2027	57	1
2028	10	-
2029	-	-
Total	<u>\$ 678</u>	<u>\$ 14</u>

Note 6 - Other Assets and Liabilities

Other assets and other liabilities as of June 30, 2025 and 2024, are composed of the accounts and balances as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Other Assets		
Accounts receivable	\$ 85,244	\$ 52,482
Multifamily trusts' pledged revenues receivable	-	-
Prepaid expenses	2,825	2,092
Insurance receivable	15,936	12,257
Loans Pending Foreclosure	-	-
Nonconforming loans-held for sale	-	-
REO mortgages receivable	<u>84,626</u>	<u>37,558</u>
	<u>\$ 188,631</u>	<u>\$ 104,389</u>
	<u>2025</u>	<u>2024</u>
Other Liabilities		
Accounts payable	\$ 346	\$ 214
Accrued vacation and other payroll related liabilities	3,000	2,387
Arbitrage rebate	58	122
Deferred buydowns		
Federal programs advances and unapplied program income	58,175	62,425
Multifamily trusts' pledged revenues payable		
Security deposits		
Unapplied payments	33,154	18,888
Reserve on loans serviced	11,763	11,327
Other accrued liability	<u>19,394</u>	<u>11,242</u>
	<u>\$ 125,890</u>	<u>\$ 106,605</u>

Note 7 - Compensated Absences

Vacation and sick accrual liability are recognized at the following schedule. A maximum of 192 hours during the first five years of continuous employment. A maximum of 240 hours between five years plus one and the tenth year of service. A maximum of 288 hours between the tenth year plus 1 day and the fifteenth year of service. A maximum of 336 hours after the fifteenth plus 1 year of service. Sick leave in excess of 180 hours is to be contributed to the Deferred Compensation Plan. Specifically, accrued sick leave hours exceeding 180 and up to 240 will be contributed at a rate of 50%. All accumulated sick leave hours exceeding 250 will be contributed at a rate of 100%. Compensated absences activity for the years ended June 30, 2025 and 2024, was as follows (in thousands):

	Beginning Balance July 1, 2024			Ending Balance June 30, 2025		
		Additions	Reductions		Amounts Due within One Year	
Compensated Absences	\$ 1,244	\$ 2,345	\$ (2,102)	\$ 1,487	\$ 2,513	

	Beginning Balance July 1, 2023			Ending Balance June 30, 2024		
		Additions	Reductions		Amounts Due within One Year	
Compensated Absences	\$ 1,172	\$ 2,100	\$ (2,028)	\$ 1,244	\$ 2,152	

Note 8 - Short-Term and Other Borrowings

The commercial paper facility provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Commercial paper activity is recorded in the General Operating business unit. The Association transfers mortgage loans purchased with proceeds from commercial paper to bond accounts or to sell to FNMA or FHLMC or to securitize through GNMA. Mortgage acquisition monies from bond accounts or from FNMA or FHLMC sale proceeds or GNMA securitization proceeds, respectively, reimburse the commercial paper facility. Transfers associated with bond accounts will be made prior to the end of the acquisition period as specified in the applicable bond indentures. The commercial paper borrowing is not backed by collateral. As of June 30, 2025, the Association had \$197.850 million of commercial paper outstanding maturing in 62 to 92 days, with weighted average interest rates of 0.04429%. As of June 30, 2024, the Association had \$157.850 million of commercial paper outstanding maturing in 51 to 100 days, with weighted average interest rates of .05506%.

The borrowings at PNC Bank, Zions Bank and Royal Bank of Canada are not backed by collateral. As of June 30, 2025, the Association had \$60.000 million of borrowings outstanding with PNC Bank maturing in April 2027 with a variable interest rate equal to the "Bank Index Rate", which means a per annum rate of interest equal to the sum of Daily 1M SOFR (Secured Overnight Financing Rate) and sixty hundredths of a percent (0.60%). As of June 30, 2024, the Association had \$10.000 million of borrowings outstanding with PNC Bank maturing in May 2025 with a variable interest rate equal to the "Bank Index Rate", which means the sum of the Daily BSBY (Bloomberg Short-Term Bank Yield) Rate and sixty hundredths of a percent (0.60%). As of June 30, 2025, the Association had \$144.964 million of borrowings outstanding with Zions Bank maturing in June 2027, with a variable interest rate equal to the "Bank Index Rate" which means a per annum rate of interest equal to the sum of the Lender's Term SOFR 1 Month and sixty-four hundredths and thirty six of a percent (0.6436%). As of June 30, 2024 the Association had \$109.964 million of borrowings outstanding with Zions Bank maturing in June 2025, with a

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Notes to Financial Statements

June 30, 2025 and 2024

variable interest rate equal to the sum of the BSBY 1 Month Rate and sixty hundredths of a percent (0.60%). As of June 30, 2025 the Association had \$27.550 million of borrowings outstanding with Royal Bank of Canada, with a variable interest rate equal to the “Bank Index Rate”, which means for Daily Simple SOFR Rate loans, a per annum rate of interest equal to the sum of Daily Simple SOFR and seventy hundredths of a percent (0.70%) and for term SOFR Rate loans, a per annum rate of interest equal to the sum of the Term SOFR and seventy hundredths of a percent (0.70%). As of June 30, 2024 the Association had no borrowings outstanding with Royal Bank of Canada. The borrowings at Federal Home Loan Bank (FHLB) are backed by collateral. As of June 30, 2025 the Association had \$178.500 million of borrowings outstanding with FHLB maturing in August 2025 with a weighted average interest rate of 4.504%. As of June 30, 2024 the Association had no outstanding borrowings with FHLB.

Note 9 - Bonds

Description and Due Date	Average Bond Yield	2025	2024
Single-Family Mortgage Bonds			
2000 Indenture			
Variable Rate Class 1	5.010%	\$ 1,113	\$ 3,932
2003 Indenture			
Class I Bonds	3.731%	11,420	13,655
Variable Rate Class I	4.182%	11,035	16,705
Variable Rate Class II	4.302%	1,975	2,235
	3.981%	24,430	32,595
2019 Indenture			
Class I Bonds	5.485%	1,837,430	1,367,830
Variable Rate Class I	4.302%	32,855	37,105
	5.464%	1,870,285	1,404,935
Total single-family mortgage bonds		1,895,828	1,441,462
Grant and Revenue Anticipation Bonds			
2010 Series A	6.348%	54,805	57,680
2014 Series A	4.922%	37,465	41,835
2015 Series A	5.000%	53,685	76,090
2017 Series A	5.000%	50,935	59,615
2019 Series A	5.000%	114,090	114,090
2021 Series A	4.539%	172,860	172,860
	4.981%	483,840	522,170

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Description and Due Date	Average Bond Yield	2025	2024
Transportation Expansion and Congestion Mitigation Bonds			
2022 Series A	5.000%	176,795	180,790
2023 Series A	4.986%	342,755	349,685
2024 Series A	4.828%	338,780	338,780
2025 Series A	4.756%	320,795	-
	4.901%	1,179,125	869,255
Multifamily Housing Revenue Bonds			
Sunset 2021 Series A			
Class I Bonds	2.961%	8,030	13,740
Tax Exempt Mortgage Securities	3.732%	141,848	164,319
Total bonds		3,708,671	3,010,946
Interest Payable		75,465	58,734
Net Unamortized (Discount)/Premium		223,737	196,806
Notes Payable		127,916	154,012
Total bonds and notes		\$ 4,135,789	\$ 3,420,498

Premiums and discounts on bonds are amortized using the bonds outstanding method over the life of the bonds to which they relate.

The bonds are either special or general obligations of the Association and do not constitute a debt of the State of Idaho or any political subdivision thereof. Each bond issue is secured by the pledge of repayments of mortgage loans purchased with the bond proceeds and of all revenue earned relating to those bonds.

The Association has issued debt in a variable rate mode. The bulk of the variable rate debt is re-marketed on a weekly basis by a Remarketing Agent, retained by the Association, to periodically re-market the debt at the prevailing interest rates.

On November 14, 2024, the Association issued the 2024C Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On March 11, 2025, the Association issued Transportation Expansion and Congestion Mitigation Fund, Series 2024A Sales Tax Revenue Bonds. On March 25, 2025, the Association issued the 2025A Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On June 3, 2025, the Association issued the 2025B Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons.

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The scheduled principal debt service, including July 1, 2025 special redemptions, for the periods subsequent to, and as of June 30, 2025, is as follows (in thousands):

	2026	2027	2028	2029	2030	2031 2035
Single-Family Mortgage Bonds						
2000 Indenture	\$ 1,113	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Indenture	4,185	760	865	910	1,405	13,975
2019 Indenture	76,740	87,075	98,630	92,585	76,185	399,400
Total Single-Family	82,038	87,835	99,495	93,495	77,590	413,375
GARVEE Bonds						
2010 Series A	3,060	3,260	3,465	45,020	-	-
2014 Series A	4,595	4,830	5,075	5,325	5,595	12,045
2015 Series A	22,620	31,065	-	-	-	-
2017 Series A	10,075	3,315	37,545	-	-	-
2019 Series A	-	-	-	-	-	59,695
2021 Series A	-	-	-	-	46,430	37,905
Total GARVEE	40,350	42,470	46,085	50,345	52,025	109,645
TECM Bonds						
2022 Series A	4,200	4,415	4,640	4,880	5,130	29,870
2022 Series A	7,285	7,660	8,050	8,465	8,895	51,815
2022 Series A	6,195	6,510	6,850	7,195	7,570	44,080
2025 Series A	-	5,355	5,630	5,920	6,220	36,240
Total TECM	17,680	23,940	25,170	26,460	27,815	162,005
Multifamily Housing Revenue Bonds						
Sunset 2021 Series A	110	110	115	120	120	650
Tax Exempt Mortgage Securities	4,721	4,901	5,087	5,280	5,480	30,683
Total principal	\$ 144,899	\$ 159,256	\$ 175,952	\$ 175,700	\$ 163,030	\$ 716,358
Variable rate principal	4,793	650	680	710	860	5,620
Interest						
Fixed	\$ 182,081	\$ 174,156	\$ 164,950	\$ 154,951	\$ 146,471	\$ 620,448
Variable	\$ 1,818	\$ 1,794	\$ 1,765	\$ 1,735	\$ 1,699	\$ 7,876
Total interest	\$ 183,899	\$ 175,950	\$ 166,715	\$ 156,686	\$ 148,170	\$ 628,324

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June 30, 2025 and 2024

	2036 2040	2041 2045	2046 2050	2051 2055	2056 2060	TOTAL
Single-Family Mortgage Bonds						
2000 Indenture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,113
2003 Indenture	2,330	-	-	-	-	24,430
2019 Indenture	247,820	284,480	327,085	179,915	370	1,870,285
Total Single-Family	250,150	284,480	327,085	179,915	370	1,895,828
GARVEE Bonds						
2010 Series A	-	-	-	-	-	54,805
2014 Series A	-	-	-	-	-	37,465
2015 Series A	-	-	-	-	-	53,685
2017 Series A	-	-	-	-	-	50,935
2019 Series A	54,395	-	-	-	-	114,090
2021 Series A	88,525	-	-	-	-	172,860
Total GARVEE	142,920	-	-	-	-	483,840
TECM Bonds						
2022 Series A	38,365	49,255	36,040	-	-	176,795
2022 Series A	66,530	85,430	98,625	-	-	342,755
2022 Series A	56,600	72,685	131,095	-	-	338,780
2025 Series A	46,525	59,745	76,730	78,430	-	320,795
Total TECM	208,020	267,115	342,490	78,430	-	1,179,125
Multifamily Housing Revenue Bonds						
Sunset 2021 Series A	755	880	1,040	4,130	-	8,030
Tax Exempt Mortgage Securities	36,966	44,536	4,194	-	-	141,848
Total principal	\$ 638,811	\$ 597,011	\$ 674,809	\$ 262,475	\$ 370	\$ 3,708,671
Variable rate principal	1,390	-	17,675	14,600	-	46,978
Interest						
Fixed	\$ 450,712	\$ 300,709	\$ 132,205	\$ 14,229	\$ -	\$ 2,340,912
Variable	\$ 6,974	\$ 6,942	\$ 5,350	\$ 821	\$ -	\$ 36,774
Total interest	\$ 457,686	\$ 307,651	\$ 137,555	\$ 15,050	\$ -	\$ 2,377,686

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Notes to Financial Statements

June 30, 2025 and 2024

Long-term bond liability and short-term borrowing activity for the year ended June 30, 2025 and 2024, was as follows (in thousands):

June 30, 2025					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 3,010,946	\$ 1,538,271	\$ (840,545)	\$ 3,708,672	\$ 149,621
Note Payable	154,012	-	(26,097)	127,915	3,820
Interest Payable	58,734	(137,719)	154,449	75,464	183,899
Net Unamortized (Discount)/Premium	196,806	(17,546)	44,478	223,738	26,932
Total bonds payable at June 30, 2025	<u>\$ 3,420,498</u>	<u>\$ 1,383,006</u>	<u>\$ (667,715)</u>	<u>\$ 4,135,789</u>	<u>\$ 364,272</u>
Short-Term And Other Borrowings at June 30, 2025	\$ 277,814	\$ 1,083,513	\$ (752,463)	\$ 608,864	\$ 608,864
June 30, 2024					
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 1,796,714	\$ 2,691,070	\$ (1,476,838)	\$ 3,010,946	\$ 111,228
Note Payable	-	175,000	(20,988)	154,012	3,549
Interest Payable	30,269	106,294	(77,829)	58,734	143,175
Net Unamortized (Discount)/Premium	155,220	(14,511)	56,097	196,806	4,825
Total bonds payable at June 30, 2024	<u>\$ 1,982,203</u>	<u>\$ 2,957,853</u>	<u>\$ (1,519,558)</u>	<u>\$ 3,420,498</u>	<u>\$ 262,777</u>
Short-Term And Other Borrowings at June 30, 2024	\$ 388,370	\$ 776,620	\$ (887,176)	\$ 277,814	\$ 277,814

Note 10 - Redemption of Bonds

Special redemptions were made in the following bond issues for the year ended June 30, 2025 and 2024 (in thousands):

Bond Series Redeemed	Par Value of Bonds Redeemed		
	July 1, 2025	For the Year Ended June 30, 2025	For the Year Ended June 30, 2024
Single-Family Mortgage Bonds			
2000 Indenture	\$ 1,009	\$ 2,250	\$ 2,235
2003 Indenture	2,650	5,245	4,855
2006 Indenture	-	-	17,135
2009 Indenture	34,195	-	-
2019 Indenture	-	120,370	9,325
Special redeem all bonds	<u>37,854</u>	<u>127,865</u>	<u>33,550</u>

Note 11 - Tax Exempt Mortgage-Backed Securities

Tax-exempt mortgage-backed securities (TEMS) are tax-exempt securities which are collateralized by mortgage-backed securities. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. A Ginnie Mae authorized document custodian holds note and the deed of trust while the underlying mortgage loans are insured by the U.S. Federal Housing Administration (FHA) or the U.S. Department of Agriculture (USDA). These loans are then contributed to a mortgage-backed security, which is guaranteed by Ginnie Mae.

Series	Maturity Date	Security Rate	2025	2024
IHFA HOMES 2014 A	May 2044	3.50%	\$ 1,762	\$ 2,133
IHFA HOMES 2014 B	August 2044	3.50%	2,213	2,297
IHFA HOMES 2014 C	December 2044	3.50%	1,051	1,197
IHFA HOMES 2015 A	April 2045	3.00%	1,338	1,528
IHFA HOMES 2015 B	May 2045	3.00%	1,208	1,931
IHFA HOMES 2015 C	July 2045	3.00%	4,019	6,158
IHFA TEMS 2015A	October 2045	3.50%	4,360	4,726
IHFA TEMS 2015B	November 2045	0.00%	-	3,429
IHFA TEMS 2015C	December 2045	3.00%	1,633	4,446
IHFA TEMS 2016A	February 2046	3.00%	7,476	8,323
IHFA TEMS 2016B	March 2046	3.00%	2,048	2,116
IHFA TEMS 2016C	April 2046	3.00%	3,397	3,506
IHFA TEMS 2016D	May 2046	3.00%	3,894	4,699
IHFA TEMS 2016E	June 2046	3.00%	3,456	3,913
IHFA TEMS 2016F	July 2046	3.00%	2,948	3,580
IHFA TEMS 2016G	August 2046	3.00%	7,318	7,866
IHFA TEMS 2016H	September 2046	3.00%	2,910	3,099
IHFA TEMS 2016I	December 2046	3.00%	3,233	3,332
IHFA TEMS 2017A	January 2047	3.00%	4,568	5,147
IHFA TEMS 2017B	February 2047	3.00%	2,122	2,463
IHFA TEMS 2017C	April 2047	3.50%	3,454	3,901
IHFA TEMS 2017D	May 2047	3.50%	3,558	3,910
IHFA TEMS 2017E	July 2047	3.50%	3,091	3,175

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Series	Maturity Date	Security Rate	2025	2024
IHFA TEMS 2017F	August 2048	3.00%	4,952	5,541
IHFA TEMS 2017G	September 2047	3.00%	3,832	4,182
IHFA TEMS 2017H	October 2047	3.00%	4,282	4,857
IHFA TEMS 2017I	November 2047	3.00%	4,638	4,879
IHFA TEMS 2017J	December 2047	3.00%	6,172	6,614
IHFA TEMS 2018A	January 2048	3.00%	2,722	2,840
IHFA TEMS 2018B	April 2048	3.50%	2,629	2,695
IHFA TEMS 2018C	July 2048	4.00%	2,387	2,727
IHFA TEMS 2018D	August 2048	4.00%	3,307	4,107
IHFA TEMS 2018E	October 2048	4.00%	5,917	6,297
IHFA TEMS 2018F	December 2048	4.00%	7,354	7,669
IHFA TEMS 2019A	January 2049	4.50%	4,349	4,439
IHFA TEMS 2019B	April 2049	4.00%	4,642	5,075
IHFA TEMS 2019C	June 2049	3.50%	5,157	5,619
IHFA TEMS 2019D	July 2019	4.00%	3,576	3,986
IHFA TEMS 2019E	August 2049	3.50%	4,875	5,917
Total Tax-Exempt Mortgage-back Securities (TEMS)			<u>\$ 141,848</u>	<u>\$ 164,319</u>

A summary of TEMS activity for the periods reported is as follows (in thousands):

	Beginning Balance as of July 1, 2024	Additions	Reductions	Ending Balance as of June 30, 2025
Tax Exempt Mortgage Securities	\$ 164,319	\$ -	\$ (22,471)	\$ 141,848
	Beginning Balance as of June 30, 2023	Additions	Reductions	Ending Balance as of June 30, 2024
Tax Exempt Mortgage Securities	\$ 183,999	\$ -	\$ (19,680)	\$ 164,319

The scheduled principal payments for the periods subsequent to, and as of, June 30, 2025, is as follows (in thousands):

Original Year	Principal Payments (in thousands)	Interest Payments (in thousands)
2026	\$ 4,721	\$ 5,195
2027	4,901	5,016
2028	5,087	4,830
2029	5,280	4,637
2030	5,480	4,437
2031-2035	30,683	18,900
2036-2040	36,966	12,617
2041-2045	44,536	5,047
2046-2047	4,194	33
Total	<u>\$ 141,848</u>	<u>\$ 60,712</u>

Note 12 - Derivatives

The Association has entered into multiple interest rate swap agreements to reduce the Association's overall cost of borrowing long-term capital and protect against the risk of rising interest rates. To do this, the Association issued variable rate debt in connection with the same Single-Family Mortgage Bond issues. The swap agreements, when combined with the associated variable rate debt, create a synthetic fixed rate debt obligation. From 2000 through 2008, the Association's use of these instruments allowed it to competitively price and acquire single-family loans while reducing interest rate risk.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* defines derivative instruments and requires that they be reported at fair value in the Statements of Net Position. The swap agreements the Association has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the Statements of Net Position as either a deferred inflow or outflow or recognized in earnings of the current period as a change in investments fair value. Changes in fair value are reported depending on whether the derivative instrument is considered an effective hedge. Effective hedge fair value changes are reported as deferred inflows or outflows while non-effective hedge fair value changes are recognized in earnings in the current period. Statement No. 53 provides several methods for determining effectiveness.

The fair values of swap agreements were estimated as the approximate amount the Association's would pay a market participant to terminate the contractual positions as of June 30, 2025. While key assumptions and methods used in deriving fair value are proprietary; in general, the fair values are determined as the difference between the present value of the fixed-rate payments made to the counterparty and the variable-rate (based on interest rates as of June 30, 2025) payments paid to the Association. A positive fair value indicates the amount the Association is entitled to receive from the counterparty upon termination of the swap and is reported under Other Assets. Conversely, a negative fair value reflects the amount the Association must pay, which is recorded under Other Liabilities. As of June 30, 2025, and 2024, these amounts are \$(0.224) million and \$(0.490) million, respectively, as shown in the Statement of Net Position.

The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. As such, changes in fair value for hedge swaps are reported as a deferred outflow of resources in the Statement of Net Position of \$0.986 million and \$2.013 million as of June 30, 2025 and 2024, respectively. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statement of Net Position in Investments at June 30, 2025 and 2024 of \$(0.326) million and \$(0.182) million, respectively. This portion represents the notional amount of interest rate swaps that falls short of the notional amount of underlying variable debt.

The Association engaged an independent third party to calculate the fair values of contracts as of June 30, 2025 and 2024. The results of the calculation correlate materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2025, the Association is exposed to a negligible amount of counterparty credit risk on certain outstanding swaps due to their positive fair values. The Association's counterparty has a current rating of A+ (Fitch), A1 (Moody's), and AA- (S&P).

Basis risk: All but 22 of the Association's swaps have a dual basis: 68% of Securities Industry and Financial Markets Association (SIFMA) index plus 20 basis points when the one-month Secured Overnight Financing Rate (SOFR) is less than either 3.5% or 4.0% (depending on the bond series). Four non-dual basis swaps have a basis of SIFMA plus 20 basis points, two have a basis of SOFR plus 76 basis points, three have a basis of SOFR plus 75 basis points, three have a basis of SOFR plus 71 basis points, five have a basis of SOFR plus 45 basis points, and five have a basis of SOFR plus 5 basis points. The Association is exposed to basis risk on dual basis swaps when variable payments received are based on SOFR and do not offset the variable rate paid on bonds, which is based on SIFMA. On June 30, 2025, SIFMA was 1.920% and one-month SOFR was 4.450%.

Rollover risk: Rollover risk relates to a mismatch in the amortization of the swaps with the amortization of the variable rate bonds. The Association has structured its debt such that not all variable debt is matched by interest rate swaps and calls certain variable rate bonds independent of the expiration of the associated interest rate swap. This exposes the Association to the risk of incurring a higher interest expense than it might otherwise incur. Swap notional amounts no longer associated with variable rate debt are reported as investment derivatives.

Termination risk: The Association or Barclays Capital may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and the Association would be exposed to changing interest rates and incurring interest rate risk. A termination event also results in the loss of hedge accounting, requiring all fair value deferrals to be recognized immediately. The economic risk also includes requiring making payments to the counter party to the extent of any negative fair value amounts. The risk may be offset by identifying a suitable counter party willing to enter into identical swap contracts at the termination date.

The swaps were entered into for the purpose of hedging the change in interest rates of specific series of variable rate bonds. From time to time, certain hedged bonds may be redeemed early, refinanced or reissued resulting in the termination of existing hedging relationships and the creation of new hedging relationships if permitted. The accounting rules provide that at the time such events occur, the swap's then fair value, or balance in the deferral account, for the related swap should be reduced to zero and offset by a new balance which shall be amortized on fixed rate interest expense basis over a period equal to the shorter of the remaining term of the refunding bonds, refunded bonds, or swap. In future periods reductions in the amortizing balances are recorded as interest expense, and to the extent a new hedging relationship can be established by the swap, it is a hedging swap and future changes in fair value are recorded as deferred inflows/outflows. If no new hedging relationship can be established, it is an investment swap and the change in fair value for the swap is recognized as investment earnings in the current period.

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Hedging Fair Values in the table below include the value of the amortizing balances.

Interest Rate Swap Agreements (in thousands) 2025

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2015A	2003 Series A	\$ 435	\$ -	\$ (5)	\$ -	\$ 1	\$ -
2015A	2003 Series C	-	10	-	-	2	-
2014A	2003 Series D	195	-	(1)	-	4	-
2016A	2003 Series E	-	195	-	(1)	8	(7)
2016A	2004 Series A	355	-	(2)	-	(3)	-
2016A	2004 Series B	-	825	(14)	1	13	(20)
2016A	2004 Series C	-	260	-	(1)	9	(9)
2016A	2004 Series D	1,730	-	(33)	-	(30)	-
2016A	2005 Series A	2,025	-	(51)	-	(36)	-
2009A	2005 Series B	-	1,855	-	(68)	(35)	8
2009A	2005 Series C	-	1,910	-	(63)	(34)	2
2016A	2005 Series D	2,000	-	(47)	-	(37)	-
2016A	2005 Series E	2,105	-	(54)	-	(39)	-
2009A	2005 Series F	-	2,285	-	(97)	(44)	7
2009A	2006 Series A	-	2,340	-	(96)	62	(95)
2009A	2006 Series B	130	-	(3)	-	10	-
2009A	2006 Series C	-	-	-	-	12	-
2009A	2006 Series D	-	-	-	-	14	-
2013A	2007 Series A	-	960	(14)	(1)	11	(29)
		<u>\$ 8,975</u>	<u>\$ 10,640</u>	<u>\$ (224)</u>	<u>\$ (326)</u>	<u>\$ (112)</u>	<u>\$ (143)</u>

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Interest Rate Swap Agreements (in thousands)

2025

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2015A	2003 Series A	4.519%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2026	11/6/2008
2015A	2003 Series C	3.780%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	11/6/2008
2014A	2003 Series D	4.840%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	11/6/2008
2016A	2003 Series E	4.530%	100% 1W SIFMA + 20 bp		Barclays Capital	A+/A1/AA-	7/1/2025	7/6/2016
2016A	2004 Series A	4.029%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2026	7/6/2016
2016A	2004 Series B	4.370%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2027	7/6/2016
2016A	2004 Series C	4.330%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2025	7/6/2016
2016A	2004 Series D	3.850%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2028	7/6/2016
2016A	2005 Series A	3.900%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	7/6/2016
2009A	2005 Series B	3.985%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	11/7/2008
2009A	2005 Series C	3.730%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	11/7/2008
2016A	2005 Series D	3.865%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	7/1/2028	7/6/2016
2016A	2005 Series E	3.930%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	7/6/2016
2009A	2005 Series F	4.095%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	11/7/2008
2009A	2006 Series A	4.100%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2029	11/7/2008
2009A	2006 Series B	4.350%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	7/1/2025	11/7/2008
2009A	2006 Series C	4.360%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2025	11/7/2008
2009A	2006 Series D	4.450%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A+/A1/AA-	1/1/2025	11/7/2008
2013A	2007 Series A	5.031%	100% 1M LIBOR + 45 bp		Barclays Capital	A+/A1/AA-	7/1/2026	7/3/2017

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Interest Rate Swap Agreements (in thousands)

2024

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2009A	2005 Series C	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -
2016A	2005 Series D	-	-	-	-	3	-
2016A	2005 Series E	1,025	-	(15)	-	(59)	-
2009A	2005 Series F	60	-	(0)	-	(1)	-
2009A	2006 Series A	-	325	(2)	(0)	(17)	(0)
2009A	2006 Series B	740	-	(10)	-	(42)	-
2009A	2006 Series C	-	740	(13)	6	(23)	(19)
2009A	2006 Series D	900	-	(6)	-	(50)	-
2013A	2006 Series E	-	1,390	(45)	21	(96)	21
2013A	2006 Series F	-	855	(15)	8	(26)	(22)
2013A	2006 Series G	2,330	-	(35)	-	(114)	-
2013A	2007 Series A	2,600	-	(52)	-	(124)	-
2013A	2007 Series B	-	2,450	-	(77)	(162)	31
2013A	2007 Series C	-	2,495	-	(65)	(154)	25
2012A	2007 Series D	2,590	-	(46)	-	(124)	-
2012A	2007 Series G	2,695	-	(55)	-	(129)	-
2012A	2007 Series H	-	2,895	-	(104)	(196)	41
2012A	2007 Series J	2,925	-	(108)	-	(157)	-
2012A	2007 Series K	625	-	(16)	-	(29)	-
2013A	2008 Series A	495	-	(12)	-	(21)	-
2013A	2008 Series B	575	-	(14)	-	(25)	-
2013A	2008 Series C	-	-	-	-	56	(29)
2013A	2008 Series C	-	-	-	-	50	(28)
2013A	2008 Series C	-	-	-	-	19	-
2013A	2008 Series C	-	1,660	(47)	29	(155)	29
2013A	2008 Series C	-	-	-	-	34	-
2013A	2008 Series C	-	-	-	-	112	(67)
2013A	2008 Series C	-	-	-	-	(7)	-
2013A	2008 Series C	-	-	-	-	370	-
2013A	2008 Series C	-	-	-	-	1,520	(1,190)
2013A	2008 Series C	-	-	-	-	349	-
2013A	2008 Series C	-	-	-	-	887	(474)
2013A	2008 Series C	-	-	-	-	903	(475)
2013A	2008 Series C	-	-	-	-	347	(237)
2013A	2008 Series C	-	-	-	-	92	(63)
2013A	2008 Series D	-	-	-	-	29	(24)
		<u>\$ 17,560</u>	<u>\$ 12,810</u>	<u>\$ (490)</u>	<u>\$ (182)</u>	<u>\$ 3,064</u>	<u>\$ (2,481)</u>

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Interest Rate Swap Agreements (in thousands) 2024							
Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate Received by IHFA from Interest Rate Contract Provider	Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
2009A	2005 Series C	3.730%	68% 1M (or SIFMA 1M<3.5%) +20	Barclays Capital	A/A1	7/1/2028	11/7/2008
2016A	2005 Series D	3.865%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	7/1/2028	7/6/2016
2016A	2005 Series E	3.930%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series F	4.095%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series A	4.100%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series B	4.350%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	7/1/2025	11/7/2008
2009A	2006 Series C	4.360%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	1/1/2025	11/7/2008
2009A	2006 Series D	4.450%	68% 1M (or SIFMA 1M<4.0%) +20	Barclays Capital	A/A1	1/1/2025	11/7/2008
2013A	2006 Series E	5.518%	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series F	5.290%	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series G	5.167%	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2007 Series A	5.031%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2007 Series B	4.882%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	1/1/2027	7/3/2017
2013A	2007 Series C	4.972%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	1/1/2027	7/3/2017
2012A	2007 Series D	4.893%	100% 1M LIBOR + 71 bp	Barclays Capital	A/A1	1/1/2026	7/1/2016
2012A	2007 Series G	4.691%	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2028	1/1/2013
2012A	2007 Series H	5.198%	100% 1M LIBOR + 76 bp	Barclays Capital	A/A1	7/1/2030	7/1/2016
2012A	2007 Series J	4.415%	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2028	7/3/2017
2012A	2007 Series K	4.231%	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series A	4.382%	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series B	4.235%	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2029	7/3/2017
2013A	2008 Series A	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series D	4.437%	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017

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At June 30, 2025 and 2024, the Association had \$492.500 million and \$250.000 million, respectively, in forward sales contracts (“To Be Announced” or “TBA” contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage-Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA mortgage-backed security contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivatives and are not rated.

TBA Forward Contracts (in thousands) 2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
August 20, 2024	5.50%	\$ 3,000	\$ (58)	BBB
August 20, 2024	6.00%	1,000	(19)	BBB+
August 20, 2024	6.50%	1,000	(19)	BBB+
July 15, 2024	6.00%	1,000	-	AA+
July 15, 2024	5.00%	1,000	-	AA+
July 15, 2024	5.50%	2,000	-	AA+
July 15, 2024	6.00%	1,000	(43)	AA+
July 15, 2024	6.50%	1,000	-	A-
July 22, 2024	6.50%	3,000	(58)	BBB
July 22, 2024	4.50%	1,000	(19)	BBB
July 22, 2024	4.50%	2,000	-	A+
July 22, 2024	5.00%	3,000	-	BBB+
July 22, 2024	5.00%	1,500	(29)	BBB+
July 22, 2024	5.50%	8,500	141	BBB+
July 22, 2024	6.00%	1,000	-	A-
July 22, 2024	6.50%	2,000	(39)	BBB+
July 22, 2024	6.50%	7,000	(136)	BBB+
September 16, 2024	6.00%	7,000	1	AA+
September 23, 2024	5.50%	2,000	-	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	3,000	-	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	1,000	(19)	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	6,000	99	BBB
September 23, 2024	5.50%	2,000	(39)	BBB

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

TBA Forward Contracts

(in thousands)

2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	6,000	99	BBB
September 23, 2024	5.50%	1,500	25	BBB
September 23, 2024	5.50%	1,000	(19)	BBB
September 23, 2024	5.50%	500	(21)	BBB
September 23, 2024	5.50%	3,000	(58)	BBB
September 23, 2024	5.50%	3,500	1	BBB
September 23, 2024	5.50%	3,000	-	BBB
September 23, 2024	5.50%	1,000	17	BBB
September 23, 2024	5.50%	500	-	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	8,000	113	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	2,000	(85)	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	4,000	4	BBB
September 23, 2024	5.50%	3,000	42	BBB
September 23, 2024	5.50%	4,500	5	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	1,000	(43)	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	6,000	7	BBB
September 23, 2024	5.50%	9,000	127	BBB
September 23, 2024	5.50%	2,000	55	BBB
September 23, 2024	5.50%	3,000	(272)	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	1,500	(27)	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	1,000	28	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	4,000	56	BBB
September 23, 2024	5.50%	1,000	28	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	7,000	8	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	15,000	16	BBB

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

TBA Forward Contracts

(in thousands)

2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	21,000	295	BBB
September 23, 2024	5.50%	6,000	(108)	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	4,000	(72)	BBB
September 23, 2024	5.50%	2,000	(85)	BBB
September 23, 2024	5.50%	16,000	(288)	BBB
September 23, 2024	5.50%	22,000	24	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	2,000	28	BBB
September 23, 2024	5.50%	14,000	197	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	3,000	(54)	BBB
September 23, 2024	5.50%	5,000	5	BBB
September 23, 2024	5.50%	3,000	42	BBB
September 23, 2024	5.50%	4,000	56	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	11,000	12	BBB
September 23, 2024	5.50%	9,500	134	BBB
September 23, 2024	5.50%	5,000	(352)	BBB
September 23, 2024	5.50%	1,000	14	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	6,000	(108)	BBB
September 23, 2024	5.50%	3,000	(128)	BBB
September 23, 2024	5.50%	10,000	(180)	BBB
September 23, 2024	5.50%	4,000	4	BBB
September 23, 2024	5.50%	7,000	8	BBB
September 23, 2024	5.50%	2,000	28	BBB
September 23, 2024	5.50%	3,500	(63)	BBB
September 23, 2024	5.50%	4,500	(81)	BBB
September 23, 2024	5.50%	5,000	70	BBB
September 23, 2024	5.50%	3,000	83	BBB
September 23, 2024	5.50%	3,000	3	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	2,500	35	BBB
September 23, 2024	5.50%	2,000	32	BBB

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

TBA Forward Contracts

(in thousands)

2025

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	3,000	47	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	2,000	(1)	BBB
September 23, 2024	5.50%	1,500	24	BBB
September 23, 2024	5.50%	1,000	-	BBB
September 23, 2024	5.50%	2,000	32	BBB
September 23, 2024	5.50%	1,000	16	BBB
September 23, 2024	5.50%	7,000	93	BBB
September 23, 2024	5.50%	5,000	4	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	3,000	40	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	3,000	40	BBB
September 23, 2024	5.50%	6,000	80	BBB
September 23, 2024	5.50%	5,000	141	BBB
September 23, 2024	5.50%	3,000	2	BBB
September 23, 2024	5.50%	1,000	(18)	BBB
September 23, 2024	5.50%	4,000	53	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	5,000	66	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	5,000	66	BBB
September 23, 2024	5.50%	4,000	53	BBB
September 23, 2024	5.50%	3,000	2	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	2,000	2	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	1,000	1	BBB
September 23, 2024	5.50%	1,000	25	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	2,000	(36)	BBB
September 23, 2024	5.50%	2,000	27	BBB
September 23, 2024	5.50%	2,000	61	BBB
September 23, 2024	5.50%	1,000	15	BBB
		<u>\$ 492,500</u>	<u>\$ 375</u>	

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2025 and 2024

TBA Forward Contracts (in thousands) 2024					
Contract	Coupon Rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating	
August 20, 2024	5.50%	\$ 10,000	\$ 63	BBB	
August 20, 2024	6.00%	15,000	59	BBB+	
August 20, 2024	6.50%	7,000	8	BBB+	
July 15, 2024	6.00%	20,000	22	AA+	
July 15, 2024	5.00%	1,000	(1)	AA+	
July 15, 2024	5.50%	16,000	(2)	AA+	
July 15, 2024	6.00%	28,000	(4)	AA+	
July 15, 2024	6.50%	14,000	(9)	A-	
July 22, 2024	6.50%	32,000	45	BBB	
July 22, 2024	4.50%	7,000	86	BBB	
July 22, 2024	4.50%	4,000	42	A+	
July 22, 2024	5.00%	5,000	47	BBB+	
July 22, 2024	5.00%	12,000	129	BBB+	
July 22, 2024	5.50%	2,000	14	BBB+	
July 22, 2024	6.00%	24,500	92	A-	
July 22, 2024	6.50%	15,500	34	BBB+	
July 22, 2024	6.50%	7,000	8	BBB+	
September 16, 2024	6.00%	10,000	59	AA+	
September 23, 2024	5.50%	20,000	85	BBB	
		<u>\$ 250,000</u>	<u>\$ 777</u>		

Note 13 - Retirement Plans

The Idaho Housing and Finance Association Defined Contribution Retirement Plan covers substantially all Association employees. The Association contributes eight percent of annual compensation for each eligible permanent employee to a segregated account held in trust by Principle Insurance. Employees are eligible to participate in the retirement plan after completion of 1,040 hours (6 months) of continuous employment, and 100 percent vesting is achieved ratably over a period of five years. Plan provisions and contribution requirements are established, and may be amended, by the Association. The Association's retirement plan expense for the year ending June 30, 2025 and 2024, were \$2,069 million and \$1.959 million, respectively. Employees do not contribute to this Plan.

The Association also offers a deferred compensation plan qualified under Section 457 of the Internal Revenue Code. All employees who have completed 30 days of continuous employment with the Association are eligible to participate. The plan permits employees to defer up to 99 percent per year (or a maximum of \$23,000 for those under 50 and \$30,000 for those 50 and older), of salary before taxes. The Association will match up to two percent of the employee's deferral to be deposited into the employee's account and immediately vested. The Association's deferred compensation plan expense for the year ending June 30, 2025 and 2024 were \$359,000 and \$339,000, respectively. Investment choices for all contributions are employee-directed. The assets for these retirement plans are not included in the Association's financial statements as they are substantially the property of employees and are held in segregated trust accounts.

Note 14 - Conduit Debt Obligations

GASB Statement No. 91 requires disclosure of conduit debt obligations. Conduit debt obligations are certain limited obligation debt instruments issued for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. From time to time, the Association has issued bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the entity served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2025 and 2024, there were eighty-one and seventy-eight series of bonds outstanding that meet the description of conduit debt obligations not included in the Association's financial statements. They had aggregate principal amounts payable of \$920.226 million and \$777.790 million, respectively.

The Association services conduit debt obligations for housing and transportation-related bond issuances. The Association is not obligated in any manner for repayment of these housing and transportation related conduit debt obligations. The Association has determined that this series of bonds outstanding meet the description of conduit debt obligations. The total outstanding indebtedness and accrued interest as of June 30, 2025 and 2024, is \$1.886 billion and \$1.590 billion, respectively.

Note 15 - Risk Management

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. WCF writes the Association's worker's compensation coverage. The Association's premiums and loss experience modifications are based on the loss experience of the Association. Claims have not exceeded coverage for the past three years.

Note 16 - Component Units

THC was formed to develop, acquire and operate real estate for the benefit of elderly, disadvantaged, limited income or otherwise needy persons throughout the state of Idaho. As of December 31, 2024, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating twenty-two multifamily housing complexes; had constructed two additional phases of housing to existing developments; had completed renovations of two hotels and turned them into a new multifamily complex; had built a single family home known as The Cottage with HOME funds; had purchased a single family home in Canyon County with federal Neighborhood Stabilization Program (NSP) funds and turned it into special needs housing as intended by the program; had purchased three duplexes in Canyon County with federal NSP funds to rent as affordable housing; had constructed and sold three homes in Nez Perce County with HOME funds; had completed construction on three duplexes in Kuna with HOME and Housing Trust Fund moneys; had started construction on two multi-family complexes in Twin Falls, Idaho, and Nampa, Idaho and had purchased land in Dillon, Montana, with the intent of constructing another multifamily complex. Certain personnel of the Association provide services to THC and three Association Commissioners serve on THC's Board, along with the President of IHFA. As of December 31, 2024, three Association Commissioners and the Association's President serve on THC's Board of Directors. As of June 30, 2025 and 2024, THC paid the Association \$2.084 million and \$1.991 million, respectively for expenses associated with THC operations. THC owed \$0.185 million and \$0.162 million for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, ICIH had notes receivable of \$7.061 and \$6.061 million, respectively, with THC. IHFA is holding a bond for the construction of the Sunset Landing multi-family project in Caldwell, Idaho, of \$8,030 million and \$13.740 million as of June 30, 2025 and 2024, respectively. Complete financial statements for THC can be obtained from THC at P.O. Box 7899, Boise, ID 83707.

THC processes and pays vendor invoices for one IHFA owned REO rental property. The Association reimburses THC for amounts paid on a yearly basis.

HPF helps people build a strong foundation for their lives through stable, safe, and affordable housing by making available financial resources they would not be able to obtain elsewhere. The Foundation supports shelters and shelter services for Idaho's homeless and most disadvantaged, encourages financial independence by educating individuals and families, invests in workforce housing, and facilitates tax-advantaged land donations for housing development. HPF's Board of Directors consists solely of Association Commissioners. Certain general, administrative and fundraising expenses of the Foundation are paid by the Association. The Association also provides occupancy, accounting, gift receipting and cash management services to the Foundation. The value of these services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation. Complete financial statements for HPF can be obtained from HPF at P.O. Box 7899, Boise, ID 83707.

ICIH was formed to own and hold the real property associated with projects created to support IHFA's mission. ICIH is an Idaho limited liability company with IHFA being the sole member. ICIH has an agreement with THC related to the Teton Mesa 4, Canyon Terrace, Sunset Landing, and Alder multifamily projects. ICIH has a receivable from THC of \$7.061 million and \$6.061 million in relation to these projects as of June 30, 2025 and June 30, 2024.

Supplementary Information
June 30, 2025

Idaho Housing and Finance Association

Idaho Housing and Finance Association
Combined Statement of Net Position – Association Accounts
June 30, 2025
(in thousands)

	Business Operations				Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Idaho Community Investment Holdings, LLC	HomeLoanServ Inc.	Inter-Component Unit Eliminations	All Reporting Entity Accounts
	General Operating and Custodial Accounts	Federally Assisted Program	State of Idaho Program	Combined										
Statement of Net Position														
Assets and Deferred Outflow of Resources														
Cash and cash equivalents	\$ 61,984	\$ -	\$ -	\$ 61,984	\$ 2,000	\$ -	\$ -	\$ -	\$ 63,984	\$ 315	\$ -	\$ 3	\$ -	\$ 64,302
Cash and cash equivalents held in trust or as agent	176,114	44,878	-	220,992	-	-	-	-	220,992	1,410	1,363	-	-	223,765
Cash held in escrow	302,198	-	-	302,198	-	-	-	-	302,198	-	-	-	-	302,198
Investments, fair value	22,927	-	-	22,927	554	-	-	-	23,481	-	-	-	-	23,481
Investments held in trust, fair value	353,363	-	-	353,363	-	3,126	2,696,828	-	3,053,317	572	-	-	-	3,053,889
Loans held for investment, net	104,138	18,352	-	122,490	105,143	4,115	72,945	-	304,693	-	12,136	-	-	316,829
Loans available for sale	157,061	-	-	157,061	-	-	-	-	157,061	-	-	-	-	157,061
Loan servicing contracts	305,048	-	-	305,048	-	-	-	-	305,048	-	-	-	-	305,048
Loans pending modification	5,888	-	-	5,888	-	-	-	-	5,888	-	-	-	-	5,888
Property and equipment	7,490	-	-	7,490	43	-	-	-	7,533	-	2,682	-	-	10,215
Right of use lease asset	1,046	-	-	1,046	-	-	-	-	1,046	-	-	-	-	1,046
Derivative Assets	1,822	-	-	1,822	-	-	-	-	1,822	-	-	-	-	1,822
Other assets	204,564	408	-	204,972	19,334	119,251	1,049	(155,845)	188,761	-	-	-	(130)	188,631
Tax exempt mortgage securities asset	141,849	-	-	141,849	-	-	-	-	141,849	-	-	-	-	141,849
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	1,229,196	-	1,229,196	-	-	-	-	1,229,196
Deferred outflow---interest rate swap contracts, amortized value	-	-	-	-	-	-	372	-	372	-	-	-	-	372
Deferred outflow---interest rate swap contracts, fair value	-	-	-	-	-	-	614	-	614	-	-	-	-	614
Total assets and deferred outflow of resources	\$ 1,845,492	\$ 63,638	\$ -	\$ 1,909,130	\$ 127,074	\$ 126,492	\$ 4,001,004	\$ (155,845)	\$ 6,007,855	\$ 2,297	\$ 16,181	\$ 3	\$ (130)	\$ 6,026,206
Liabilities, Deferred Inflow of Resources, and Net Position														
Short Term and Other Borrowing	\$ 608,864	\$ -	\$ -	\$ 608,864	\$ -	\$ -	\$ -	\$ -	\$ 608,864	\$ -	\$ -	\$ -	\$ -	\$ 608,864
Bonds	127,915	-	-	127,915	-	-	3,866,025	-	3,993,940	-	-	-	-	3,993,940
Tax exempt mortgage securities liability	141,848	-	-	141,848	-	-	-	-	141,848	-	-	-	-	141,848
Interest payable-swap contract	-	-	-	-	-	-	401	-	401	-	-	-	-	401
Investor remittance liability	155,261	-	-	155,261	-	-	-	-	155,261	-	-	-	-	155,261
Escrow and project reserve deposits	279,351	365	-	279,716	-	-	-	-	279,716	-	-	-	-	279,716
Swap contract fair value liability	-	-	-	-	-	-	149	-	149	-	-	-	-	149
Derivative Liabilities	4,679	-	-	4,679	-	-	-	-	4,679	-	-	-	-	4,679
Other liabilities	220,813	59,340	-	280,153	15	-	828	(155,845)	125,151	183	7	-	-	125,341
Net Inv in capital assets	7,490	-	-	7,490	43	-	-	-	7,533	-	2,682	-	-	10,215
Bond Funds	-	-	-	-	-	-	133,601	-	133,601	-	-	-	-	133,601
Federal Programs	-	3,933	-	3,933	-	-	-	-	3,933	-	-	-	-	3,933
The Home Partnership Fndn, Inc	-	-	-	-	-	-	-	-	-	2,114	-	-	-	2,114
Idaho Comm Invest Holdings, LLC	-	-	-	-	-	-	-	-	-	-	13,492	-	-	13,492
Unrestricted	299,271	-	-	299,271	127,016	126,492	-	-	552,779	-	-	3	(130)	552,652
Total liabilities, deferred inflow of resources, and net position	\$ 1,845,492	\$ 63,638	\$ -	\$ 1,909,130	\$ 127,074	\$ 126,492	\$ 4,001,004	\$ (155,845)	\$ 6,007,855	\$ 2,297	\$ 16,181	\$ 3	\$ (130)	\$ 6,026,206

Idaho Housing and Finance Association
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts
Year Ended June 30, 2025
(in thousands)

	Business Operations				Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Idaho Community Investment Holdings, LLC	Idaho Community Investment Holdings, LLC	Inter-Component Unit Eliminations	All Reporting Entity Accounts
	General Operating and Custodial Accounts	Federally Assisted Program	Federally Assisted Program	Combined										
Statement of Revenues, Expenses and Changes in Net Position														
Operating Revenues														
Gains on loan sales	\$ 12,271	\$ -	\$ -	\$ 12,271	\$ -	\$ -	\$ -	\$ -	\$ 12,271	\$ -	\$ -	\$ -	\$ -	\$ 12,271
Interest on loans and GARVEE pledged revenues	19,259	1,135	-	20,394	5,851	2,039	44,494	-	72,778	-	-	-	-	72,778
Interest on investments	10,758	236	-	10,994	133	181	116,745	-	128,053	49	74	-	-	128,176
Loan servicing fees	86,235	-	-	86,235	1	5	55	-	86,296	-	-	-	-	86,296
Contract and grant administration fees	14,646	-	-	14,646	-	-	-	-	14,646	815	-	-	(815)	14,646
Other operating revenues	8,975	80	-	9,055	5	-	-	-	9,060	549	-	-	(130)	9,479
Total operating revenues	152,144	1,451	-	153,595	5,990	2,225	161,294	-	323,104	1,413	74	-	(945)	323,646
Operating Expenses														
Loan acquisition costs	30,159	-	-	30,159	-	-	-	-	30,159	-	-	-	-	30,159
Interest	37,258	-	-	37,258	-	-	154,241	-	191,499	-	-	-	-	191,499
Salaries and benefits	37,892	-	-	37,892	-	-	-	-	37,892	134	-	-	-	38,026
General operating	22,084	108	-	22,192	-	-	6,430	-	28,622	144	22	-	-	28,788
Bond financing costs	-	-	-	-	-	-	171	-	171	-	-	-	-	171
Grants to others	-	-	-	-	-	-	-	-	-	985	160	-	(815)	330
Loss on real estate owned properties	4,199	188	-	4,387	487	-	-	-	4,874	-	-	-	-	4,874
Other operating expenses	1,563	-	-	1,563	815	-	-	-	2,378	-	60	-	-	2,438
Total operating expenses	133,155	296	-	133,451	1,302	-	160,842	-	295,595	1,263	242	-	(815)	296,285
Operating Income (Loss)	18,989	1,155	-	20,144	4,688	2,225	452	-	27,509	150	(168)	-	(130)	27,361
Nonoperating Revenues and Expenses														
Net increase (decrease) in fair value of investments	2,170	-	-	2,170	-	63	23,875	-	26,108	-	-	-	-	26,108
Net increase (decrease) in fair value of derivatives	(2,354)	-	-	(2,354)	-	-	(704)	-	(3,058)	-	-	-	-	(3,058)
Net increase (decrease) in fair value of servicing contracts	5,267	-	-	5,267	-	-	-	-	5,267	-	-	-	-	5,267
Federal pass-through revenues	-	93,423	2,500	95,923	-	-	-	-	95,923	-	-	-	-	95,923
Federal pass-through expenses	-	(93,079)	(2,513)	(95,592)	-	-	-	-	(95,592)	-	-	-	-	(95,592)
Transfers	(45,834)	-	-	(45,834)	(6,978)	50	48,454	-	(4,308)	-	4,308	-	-	-
Total nonoperating revenues and expenses	(40,751)	344	(13)	(40,420)	(6,978)	113	71,625	-	24,340	-	4,308	-	-	28,648
Change in Net Position	(21,762)	1,499	(13)	(20,276)	(2,290)	2,338	72,077	-	51,849	150	4,140	-	(130)	56,009
Net Position, Beginning of Period	328,523	2,434	13	330,970	129,349	124,154	61,524	-	645,997	1,964	12,034	3	-	659,998
Net Position, End of Period	\$ 306,761	\$ 3,933	\$ -	\$ 310,694	\$ 127,059	\$ 126,492	\$ 133,601	\$ -	\$ 697,846	\$ 2,114	\$ 16,174	\$ 3	\$ (130)	\$ 716,007

(1) The detail of the Combined Bondholder Trusts is presented on pages 59-60.

Idaho Housing and Finance Association
Combined Statement of Net Position – Combined Bondholder Trusts
June 30, 2025
(in thousands)

	2000 Indenture	2003 Indenture	2006 Indenture	2009 Indenture	2019 Indenture	Multi-Family Bond	2010A Grant and Revenue Anticipation Bond	2014A Grant and Revenue Anticipation Bond	2015A Grant and Revenue Anticipation Bond	2017A Grant and Revenue Anticipation Bond	2019A Grant and Revenue Anticipation Bond	2021A Grant and Revenue Anticipation Bond	Transportation Expansion and Congestion Mitigation Bond 2022A	Transportation Expansion and Congestion Mitigation Bond 2023A	Transportation Expansion and Congestion Mitigation Bond 2024A	Combined Bonds
Statement of Net Position																
Assets and Deferred Outflow of Resources																
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents held in trust or as agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments, fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments held in trust, fair value	1,294	20,516	-	-	2,017,590	452	1,959	492	1,999	935	628	866	9,475	101,645	538,977	2,696,828
Loans held for investment, net	7,137	17,893	-	-	39,915	8,000	-	-	-	-	-	-	-	-	-	72,945
Loans available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan servicing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans pending modification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use lease asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	142	238	1	8	634	26	-	-	-	-	-	-	-	-	-	1,049
Tax exempt mortgage securities asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	54,540	39,803	54,020	53,921	132,451	212,142	199,407	294,362	188,550	1,229,196
Deferred outflow—interest rate swap contracts, amortized value	-	344	-	-	28	-	-	-	-	-	-	-	-	-	-	372
Deferred outflow—interest rate swap contracts, fair value	-	(148)	762	-	-	-	-	-	-	-	-	-	-	-	-	614
Total assets and deferred outflow of resources	\$ 8,573	\$ 38,843	\$ 763	\$ 8	\$ 2,058,167	\$ 8,478	\$ 56,499	\$ 40,295	\$ 56,019	\$ 54,856	\$ 133,079	\$ 213,008	\$ 208,882	\$ 396,007	\$ 727,527	\$ 4,001,004
Liabilities, Deferred Inflow of Resources, and Net Position																
Short Term and Other Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds	1,141	25,427	-	-	1,945,136	8,149	56,499	40,295	56,019	54,856	133,079	213,008	208,882	396,007	727,527	3,866,025
Tax exempt mortgage securities liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest payable-swap contract	-	358	-	-	43	-	-	-	-	-	-	-	-	-	-	401
Investor remittance liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Escrow and project reserve deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swap contract fair value liability	-	164	-	-	(15)	-	-	-	-	-	-	-	-	-	-	149
Derivative Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	24	94	-	-	710	-	-	-	-	-	-	-	-	-	-	828
Net Inv in capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Funds	7,408	12,800	763	8	112,293	329	-	-	-	-	-	-	-	-	-	133,601
Federal Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The Home Partnership Fndn, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Idaho Comm Invst Holdings, LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, deferred inflow of resources, and net position	\$ 8,573	\$ 38,843	\$ 763	\$ 8	\$ 2,058,167	\$ 8,478	\$ 56,499	\$ 40,295	\$ 56,019	\$ 54,856	\$ 133,079	\$ 213,008	\$ 208,882	\$ 396,007	\$ 727,527	\$ 4,001,004

Idaho Housing and Finance Association
Combined Statement of Revenues, Expenses and Changes in Net Position – Combined Bondholder Trusts
June 30, 2025
(in thousands)

	2000 Indenture	2003 Indenture	2006 Indenture	2009 Indenture	2019 Indenture	Multi-Family Bond	2010A Grant and Revenue Anticipation Bond	2014A Grant and Revenue Anticipation Bond	2015A Grant and Revenue Anticipation Bond	2017A Grant and Revenue Anticipation Bond	2019A Grant and Revenue Anticipation Bond	2021A Grant and Revenue Anticipation Bond	Transportation Expansion and Congestion Mitigation Bond 2022A	Transportation Expansion and Congestion Mitigation Bond 2023A	Transportation Expansion and Congestion Mitigation Bond 2024A	Combined Bonds
Statement of Revenues, Expenses and Changes in Net Position																
Operating Revenues																
Gains on loan sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on loans and GARVEE pledged revenues	438	1,031	-	-	2,000	271	3,407	1,463	1,676	1,337	4,321	6,194	7,348	8,969	6,039	44,494
Interest on investments	77	670	-	-	89,065	11	57	22	88	40	30	5	1,658	8,443	16,579	116,745
Loan servicing fees	-	23	-	-	32	-	-	-	-	-	-	-	-	-	-	55
Contract and grant administration fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	515	1,724	-	-	91,097	282	3,464	1,485	1,764	1,377	4,351	6,199	9,006	17,412	22,618	161,294
Operating Expenses																
Loan acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	100	1,077	761	-	84,729	238	3,447	1,475	1,750	1,363	4,326	6,157	8,965	17,321	22,532	154,241
Salaries and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	4	3	-	-	6,083	-	17	10	14	14	25	42	41	91	86	6,430
Bond financing costs	-	-	-	-	171	-	-	-	-	-	-	-	-	-	-	171
Grants to others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on real estate owned properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	104	1,080	761	-	90,983	238	3,464	1,485	1,764	1,377	4,351	6,199	9,006	17,412	22,618	160,842
Operating Income (Loss)	411	644	(761)	-	114	44	-	-	-	-	-	-	-	-	-	452
Nonoperating Revenues and Expenses																
Net increase (decrease) in fair value of investments	(67)	537	-	-	23,405	-	-	-	-	-	-	-	-	-	-	23,875
Net increase (decrease) in fair value of derivatives	-	(619)	-	-	(85)	-	-	-	-	-	-	-	-	-	-	(704)
Net increase (decrease) in fair value of servicing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal pass-through revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal pass-through expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	4	15	-	-	48,430	-	-	-	-	-	-	-	-	-	5	48,454
Total nonoperating revenues and expenses	(63)	(67)	-	-	71,750	-	-	-	-	-	-	-	-	-	5	71,625
Change in Net Position	348	577	(761)	-	71,864	44	-	-	-	-	-	-	-	-	5	72,077
Net Position, Beginning of Period	7,060	12,223	1,524	8	40,429	285	-	-	-	-	-	-	-	-	(5)	61,524
Net Position, End of Period	\$ 7,408	\$ 12,800	\$ 763	\$ 8	\$ 112,293	\$ 329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,601