

NEW ISSUES - BOOK ENTRY ONLY

This cover page contains information for quick reference only. It is not a summary of the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.



\$243,120,000 ALASKA HOUSING FINANCE CORPORATION General Mortgage Revenue Bonds II

\$75,000,000 2024 Series A

**\$48,120,000 2024 Series B
(consisting of \$15,000,000 2024 Series B-1
and \$33,120,000 2024 Series B-2)**

**\$120,000,000 2024 Series C
(Federally Taxable)**

<i>Dated</i>	Date of delivery.
<i>Due</i>	As shown on inside cover page.
<i>Price</i>	As shown on inside cover page.
<i>Tax Exemption</i>	In the opinion of Bond Counsel, assuming compliance with certain covenants designed to meet the requirements of the Code, under existing laws, regulations, rulings and judicial decisions, interest on the 2024 Series A Bonds and 2024 Series B Bonds (i) is <i>excludable</i> from gross income for federal income tax purposes and (ii) is <i>not</i> a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2024 Series A Bonds and 2024 Series B Bonds may affect the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the 2024 Series C Bonds is <i>included</i> in gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Offered Bonds is free from taxation by the State of Alaska under existing law (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death). Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Offered Bonds. See "Tax Matters."
<i>Redemption</i>	The Offered Bonds are subject to redemption at par prior to maturity under the circumstances described herein. See "The Offered Bonds — Redemption."
<i>Interest Rates</i>	The Offered Bonds will bear interest at the rates set forth on the inside cover page.
<i>Security</i>	The Bonds are general obligations of the Corporation for which its full faith and credit are pledged, subject to agreements made and to be made with the holders of other obligations of the Corporation pledging particular revenues and assets not pledged to the Bonds and to the exclusion of money in the Corporation's Housing Development Fund. The Bonds will be secured by Acquired Obligations and amounts in the Funds and Accounts (excluding the Rebate Fund) held under the Indenture. See "Sources of Payment and Security for the Bonds" and "Acquired Obligations." THE CORPORATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF ALASKA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF ALASKA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE BONDS ARE GENERAL OBLIGATIONS OF THE CORPORATION AND ARE NOT INSURED OR GUARANTEED BY ANY OTHER GOVERNMENTAL AGENCY.
<i>Interest Payment Dates</i>	Each June 1 and December 1, commencing December 1, 2024.
<i>Denominations</i>	\$5,000 or any integral multiple thereof.
<i>Closing Dates</i>	2024 Series A Bonds and 2024 Series B Bonds: March 5, 2024. 2024 Series C Bonds: February 1, 2024.
<i>Bond Counsel</i>	Kutak Rock LLP.
<i>Underwriters' Counsel</i>	Hawkins Delafield & Wood LLP.
<i>Trustee</i>	U.S. Bank Trust Company, National Association.
<i>Financial Advisor</i>	Masterson Advisors LLC.
<i>Book-Entry System</i>	The Depository Trust Company. See "The Offered Bonds — Book Entry Only."

The Offered Bonds (except to the extent not reoffered) are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Bond Counsel, and to the confirmation of certain tax matters by Bond Counsel, and to certain other conditions.

Barclays	Jefferies	
Raymond James	BofA Securities	J.P. Morgan
	Wells Fargo Securities	

MATURITY SCHEDULE

\$75,000,000 2024 Series A Bonds

\$14,695,000 2024 Series A Serial Bonds — Price: 100%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP[†]</u>
December 1, 2024	\$445,000	3.200%	01170RNU2
June 1, 2025	460,000	3.200	01170RNV0
December 1, 2025	475,000	3.200	01170RNW8
June 1, 2026	490,000	3.250	01170RNX6
December 1, 2026	505,000	3.250	01170RNY4
June 1, 2027	520,000	3.350	01170RNZ1
December 1, 2027	535,000	3.350	01170RPA4
June 1, 2028	555,000	3.400	01170RPB2
December 1, 2028	570,000	3.400	01170RPC0
June 1, 2029	590,000	3.450	01170RPD8
December 1, 2029	605,000	3.450	01170RPE6
June 1, 2030	625,000	3.550	01170RPF3
December 1, 2030	645,000	3.550	01170RPG1
June 1, 2031	665,000	3.625	01170RPH9
December 1, 2031	685,000	3.625	01170RPJ5
June 1, 2032	710,000	3.700	01170RPK2
December 1, 2032	730,000	3.700	01170RPL0
June 1, 2033	755,000	3.750	01170RPM8
December 1, 2033	775,000	3.750	01170RPN6
June 1, 2034	800,000	3.800	01170RPP1
December 1, 2034	825,000	3.850	01170RPQ9
June 1, 2035	850,000	3.900	01170RPR7
December 1, 2035	880,000	3.950	01170RPS5

\$6,975,000 4.125% 2024 Series A Term Bonds due June 1, 2039
Price: 100% CUSIP[†] 01170RPT3

\$13,050,000 4.50% 2024 Series A Term Bonds due June 1, 2044
Price: 100% CUSIP[†] 01170RPU0

\$19,090,000 4.70% 2024 Series A Term Bonds due December 1, 2049
Price: 100% CUSIP[†] 01170RPV8

\$21,190,000 6.00% 2024 Series A Term Bonds due June 1, 2054 (PAC Bonds)
Price: 108.857% CUSIP[†] 01170RPW6

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\$48,120,000 2024 Series B Bonds

\$15,000,000 2024 Series B-1 Serial Bonds — Price: 100%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP[†]</u>
June 1, 2031	\$2,500,000	3.625%	01170RPX4
December 1, 2031	2,500,000	3.625	01170RPY2
June 1, 2032	2,500,000	3.700	01170RPZ9
December 1, 2032	2,500,000	3.700	01170RQA3
June 1, 2033	2,500,000	3.750	01170RQB1
December 1, 2033	2,500,000	3.750	01170RQC9

\$33,120,000 2024 Series B-2 Bonds

\$8,760,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2031
Yield: 3.42% CUSIP[†] 01170RQD7

\$8,550,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2032
Yield: 3.45% CUSIP[†] 01170RQE5

\$5,650,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2033
Yield: 3.46%^{††} CUSIP[†] 01170RQF2

\$3,620,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2034
Yield: 3.49%^{††} CUSIP[†] 01170RQG0

\$3,540,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2035
Yield: 3.59%^{††} CUSIP[†] 01170RQH8

\$3,000,000 5.00% 2024 Series B-2 Term Bonds due December 1, 2036
Yield: 3.68%^{††} CUSIP[†] 01170RQJ4

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^{††} Priced to the stated yield to the June 1, 2033 optional redemption date at a redemption price of 100%.

\$120,000,000 2024 Series C Bonds (Federally Taxable)

\$17,960,000 2024 Series C Serial Bonds — Price: 100%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP[†]</u>
December 1, 2024	\$ 630,000	5.033%	01170RQK1
June 1, 2025	655,000	4.933	01170RQL9
December 1, 2025	680,000	4.933	01170RQM7
June 1, 2026	700,000	4.883	01170RQN5
December 1, 2026	725,000	4.883	01170RQP0
June 1, 2027	755,000	4.808	01170RQQ8
December 1, 2027	780,000	4.858	01170RQR6
June 1, 2028	805,000	4.851	01170RQS4
December 1, 2028	835,000	4.901	01170RQT2
June 1, 2029	865,000	4.951	01170RQU9
December 1, 2029	895,000	5.001	01170RQV7
June 1, 2030	925,000	5.155	01170RQW5
December 1, 2030	960,000	5.205	01170RQX3
June 1, 2031	995,000	5.205	01170RQY1
December 1, 2031	1,030,000	5.255	01170RQZ8
June 1, 2032	1,065,000	5.342	01170RRA2
December 1, 2032	1,105,000	5.372	01170RRB0
June 1, 2033	1,145,000	5.392	01170RRC8
December 1, 2033	1,185,000	5.422	01170RRD6
June 1, 2034	1,225,000	5.442	01170RRE4

\$14,930,000 5.542% 2024 Series C Term Bonds due June 1, 2039
Price: 100% CUSIP[†] 01170RRF1

\$21,175,000 5.762% 2024 Series C Term Bonds due June 1, 2044
Price: 100% CUSIP[†] 01170RRG9

\$30,355,000 5.892% 2024 Series C Term Bonds due December 1, 2049
Price: 100% CUSIP[†] 01170RRH7

\$35,580,000 6.25% 2024 Series C Term Bonds due December 1, 2053 (PAC Bonds)
Price: 103.091% CUSIP[†] 01170RRJ3

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No dealer, broker, salesman or other person has been authorized by the Corporation or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Offered Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Corporation and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Offered Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

In connection with the offering of the Offered Bonds, the Underwriters may effect transactions which stabilize or maintain the market price of the Offered Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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**OFFICIAL STATEMENT
OF
ALASKA HOUSING FINANCE CORPORATION**

Relating to

\$243,120,000 General Mortgage Revenue Bonds II

\$75,000,000 2024 Series A

**\$48,120,000 2024 Series B
(consisting of \$15,000,000 2024 Series B-1
and \$33,120,000 2024 Series B-2)**

\$120,000,000 2024 Series C (Federally Taxable)

INTRODUCTION

This Official Statement (including the cover page, inside cover page and appendices) of the Alaska Housing Finance Corporation (the “Corporation”) sets forth information in connection with the Corporation’s General Mortgage Revenue Bonds II, 2024 Series A (the “2024 Series A Bonds”), 2024 Series B (the “2024 Series B Bonds”; the 2024 Series B Bonds consist of 2024 Series B-1 (the “2024 Series B-1 Bonds”) and 2024 Series B-2 (the “2024 Series B-2 Bonds”); the 2024 Series A Bonds and the 2024 Series B Bonds collectively, the “2024 Series A and B Bonds” or the “Tax-Exempt Bonds”) and 2024 Series C (the “2024 Series C Bonds” or the “Taxable Bonds”; together with the 2024 Series A and B Bonds, the “Offered Bonds”). The Offered Bonds are authorized to be issued pursuant to Chapters 55 and 56 of Title 18 of the Alaska Statutes, as amended (the “Act”), an Indenture, dated as of July 1, 2012 (the “General Indenture”), by and between the Corporation and U.S. Bank Trust Company, National Association, Seattle, Washington, as trustee (the “Trustee”), a 2024 Series A Supplemental Indenture, dated as of March 1, 2024 (the “2024 Series A Supplemental Indenture”), by and between the Corporation and the Trustee, a 2024 Series B Supplemental Indenture, dated as of March 1, 2024 (the “2024 Series B Supplemental Indenture”), by and between the Corporation and the Trustee, and a 2024 Series C Supplemental Indenture, dated as of February 1, 2024 (the “2024 Series C Supplemental Indenture”; together with the 2024 Series A Supplemental Indenture and the 2024 Series B Supplemental Indenture, the “2024 Series A, B and C Supplemental Indenture”), by and between the Corporation and the Trustee. All bonds outstanding under the General Indenture (including additional bonds which may hereafter be issued) are referred to collectively as the “Bonds.” Each series of Bonds is issued pursuant to a Supplemental Indenture. The General Indenture and all Supplemental Indentures (including the 2024 Series A, B and C Supplemental Indenture) are referred to collectively as the “Indenture.” Capitalized terms used and not otherwise defined herein have the respective meanings ascribed thereto in the Indenture. See “Summary of Certain Provisions of the Indenture — Certain Definitions.”

The Corporation has previously issued 12 series of bonds under the General Indenture (collectively, the “Prior Series Bonds”) in an aggregate principal amount of \$1,045,960,000, of which \$598,540,000 aggregate principal amount was outstanding as of November 30, 2023. The Mortgage Loans (as defined below) and participations therein allocable to the Prior Series Bonds consist of certain of the “Prior Series Mortgage Loans.” For certain information concerning the Prior Series Mortgage Loans, see “Acquired Obligations — Prior Series Mortgage Loans.”

The Corporation is permitted to issue additional bonds (including refunding bonds) pursuant to and secured under the Indenture (“Additional Bonds”), subject to certain conditions. See “Sources of Payment and Security for the Bonds — Additional Bonds.” The 2024 Series A Bonds, the 2024 Series B Bonds and the 2024 Series C Bonds will be secured on a parity with each other, with the Prior Series Bonds and with any Additional Bonds.

A portion of the proceeds of the 2024 Series A Bonds is expected to be used to purchase Mortgage Loans, primarily from a pool of certain previously-originated Mortgage Loans (the “Series A Available Mortgage Loans”). However, no assurance is given as to what portion, if any, of the Series A Available Mortgage Loans will be purchased with 2024 Series A Bonds proceeds. For certain information concerning the Series A Available Mortgage Loans, see “Acquired Obligations — Series A Available Mortgage Loans.” The Mortgage Loans to be financed with the proceeds of, or attributable to, the 2024 Series A Bonds are referred to herein as the “2024 Series A Mortgage Loans.” The balance of the proceeds of the 2024 Series A Bonds is expected to be used to pay costs of issuance related to the 2024 Series A Bonds.

Proceeds of the 2024 Series B Bonds will be used, within 90 days of the date of issuance of the 2024 Series A and B Bonds, to refund certain outstanding obligations of the Corporation (the “Refunded Obligations”). In connection with the refunding of the Refunded Obligations, certain mortgage loans or participations therein financed with proceeds of the Refunded Obligations (the “Transferred Mortgage Loans”) and certain other amounts will be transferred to and become subject to the lien and pledge of the Indenture. For certain information concerning the Transferred Mortgage Loans, see “Acquired Obligations — Transferred Mortgage Loans.”

A portion of the proceeds of the 2024 Series C Bonds is expected to be used to purchase Mortgage Loans, primarily from a pool of certain previously-originated Mortgage Loans (the “Series C Available Mortgage Loans”). However, no assurance is given as to what portion, if any, of the Series C Available Mortgage Loans will be purchased with 2024 Series C Bonds proceeds. For certain information concerning the Series C Available Mortgage Loans, see “Acquired Obligations — Series C Available Mortgage Loans.” The Mortgage Loans to be financed with the proceeds of, or attributable to, the 2024 Series C Bonds are referred to herein as the “2024 Series C Mortgage Loans.” The balance of the proceeds of the 2024 Series C Bonds is expected to pay costs of issuance related to the 2024 Series C Bonds.

Upon the issuance of the Offered Bonds, the Corporation from its general unrestricted funds will pay costs of issuance related to the 2024 Series B Bonds and make a deposit to the Debt Service Reserve Fund. See “Application of Funds” and “Assumptions Regarding Revenues, Debt Service Requirements, and Program Expenses.”

The Corporation has no taxing power. The Bonds do not constitute a debt, liability or obligation of the State of Alaska (the “State”) or a pledge of its faith and credit or taxing power. The Bonds are general obligations of the Corporation and are not insured or guaranteed by any other governmental agency.

The Bonds are general obligations of the Corporation for which its full faith and credit are pledged, subject to agreements made and to be made with the holders of other obligations of the Corporation pledging particular revenues and assets not pledged to the Bonds and to the exclusion of moneys in the Corporation’s Housing Development Fund. A significant portion of the assets of the Corporation is pledged to the payment of outstanding obligations of the Corporation. See Appendix A, which contains the most recent audited and unaudited financial statements of the Corporation.

The summaries herein of the Offered Bonds, the Indenture, the Continuing Disclosure Certificate (defined below) and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See “The Corporation — General” for the Corporation’s address and telephone number.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

General

The Offered Bonds and the Prior Series Bonds are, and any Additional Bonds issued under the Indenture will be, general obligations of the Corporation. All Bonds issued under the Indenture rank on a parity with each other. See “Sources of Payment and Security for the Bonds — Additional Bonds.” The Corporation’s full faith and credit will be pledged for the payment of principal and redemption premium (if any) of and interest on the Offered Bonds, subject to agreements made with the holders of other obligations of the Corporation pledging particular revenues and assets and the prohibition, pursuant to the terms of the Act, on a pledge of funds in the Housing Development Fund.

The Offered Bonds and the Prior Series Bonds are, and any Additional Bonds issued under the Indenture will be, secured by all assets held in any fund or account except the Unpledged Funds established under the Indenture, subject only to the provisions of the Indenture permitting application thereof for or to the purposes and on the terms and conditions set forth therein, including payment of Program Expenses.

Amounts on deposit in the Funds and Accounts under the Indenture may be applied only as provided in the Indenture. Amounts in the Revenue Fund, however, after providing for certain mandatory transfers, including but not limited to the payment of (i) scheduled debt service on the Bonds, (ii) any amount needed to restore the Debt Service Reserve Fund and the Special Reserve Fund to their respective requirements, if any, and (iii) Program Expenses, may, subject to certain optional transfers, be withdrawn free and clear of the lien of the Indenture, but only if such withdrawal is reflected in the most recent Bond Coverage Certificate. See “Summary of Certain Provisions of the Indenture — Revenue Fund.”

Mortgage Loans

The Indenture authorizes the Corporation to issue Bonds to provide funds to enable the Corporation to acquire mortgage loans (the “Mortgage Loans”) for any type of loan the Corporation is permitted to finance under the Act. Under the Indenture, the Mortgage Loans may be made without regard to the income of the mortgagor or the location within the State of the property being financed, the availability of private mortgage insurance on the mortgaged property, the amount of down payment made on the mortgaged property, or the availability of any insurance or guaranty by any federal or state agency and may include, subject to certain conditions, loans that are not first-lien mortgage loans to homebuyers (such as multifamily, special purpose or construction loans). The Corporation will limit the amount of Mortgage Loans that are not first-lien mortgage loans to homebuyers to the extent necessary to satisfy Bond Coverage requirements. See “Sources of Payment and Security for the Bonds — Bond Coverage Certificates.”

For information concerning the Corporation’s current underwriting requirements for single-family Mortgage Loans (including the 2024 Series A Mortgage Loans and the 2024 Series C Mortgage Loans), see “Acquired Obligations — Mortgage Loan Underwriting.” For information concerning the Prior Series Mortgage Loans, the Transferred Mortgage Loans, the Series A Available Mortgage Loans

and the Series C Available Mortgage Loans, see “Acquired Obligations — Prior Series Mortgage Loans,” “— Transferred Mortgage Loans,” “— Series A Available Mortgage Loans” and “— Series C Available Mortgage Loans,” respectively.

Certain of the Prior Series Mortgage Loans and the Transferred Mortgage Loans previously were or will be transferred to the Indenture from prior related indentures that contain requirements regarding the income of the borrower, loan-to-value ratios, primary mortgage insurance or guarantees of the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or Rural Development (formerly the Farmers Home Administration) of the United States Department of Agriculture (“USDA” or “RD”), hazard insurance or similar provisions. No representation is made as to whether or not any such Mortgage Loan satisfies any such requirements. Neither the Corporation nor the Underwriters have reviewed such Mortgage Loans, and the Corporation is not required to substitute other mortgage loans or repurchase such Mortgage Loans if they do not in fact satisfy such requirements.

Certain of the Mortgage Loans are not first-lien loans to homebuyers. Such Mortgage Loans will not be considered when determining Bond Coverage (except to show Parity) absent the consent of the Rating Agencies (see “Sources of Payment and Security for the Bonds — Bond Coverage Certificates” below) and the statements relating to Mortgage Loans under the headings “Acquired Obligations — Mortgage Servicing,” “— Standard Hazard Insurance Policies” and “— Alaska Foreclosure Law” may not apply to such Mortgage Loans.

The Indenture permits proceeds of Bonds to be used to purchase Mortgage Certificates. However, no Mortgage Certificates are currently held under the Indenture and the Corporation does not currently intend to acquire Mortgage Certificates to be held under the Indenture in the future.

Debt Service Reserve Fund

The Indenture provides for a Debt Service Reserve Fund to be held by the Trustee, which is required to be maintained in an amount (the “Debt Service Reserve Fund Requirement”) at least equal to 2% of the sum of (i) the outstanding principal balance of all Mortgage Loans held in the Mortgage Loan Fund (other than Mortgage Loans represented by Mortgage Certificates) and (ii) the amount of assets (other than Mortgage Loans described in (i) above) in the Mortgage Loan Fund; provided, however, that a Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that particular Mortgage Loans or assets in the related Series Account of the Mortgage Loan Fund, or particular subaccounts thereof, shall not be included in such calculation.

If two Business Days prior to any Principal Installment Date or Interest Payment Date, the amount on deposit, or to be deposited on such Principal Installment Date or Interest Payment Date, in the Principal Account and the Interest Account is less than the amount required to pay interest on, principal of or sinking fund installments on Outstanding Bonds, any such deficiency is required to be made up with amounts in the Debt Service Reserve Fund or, if insufficient, funds of the Corporation made available by the Corporation or amounts in the Special Reserve Fund or any other Fund or Account (except for the Unpledged Funds). See “Summary of Certain Provisions of the Indenture — Debt Service Reserve Fund.” No amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.

Amounts on deposit in the Debt Service Reserve Fund are to be invested in Investment Securities. As of November 30, 2023, the aggregate amount of Investment Securities on deposit in the Debt Service Reserve Fund was approximately \$17,638,960.

In connection with the issuance of the Offered Bonds, the Corporation expects to deposit approximately \$3.9 million of its own available moneys to the Debt Service Reserve Fund. The amount on deposit in the Debt Service Reserve Fund will be at least equal to the Debt Service Reserve Fund Requirement on the date of issuance of the 2024 Series A and B Bonds and on the date of issuance of the 2024 Series C Bonds.

Special Reserve Fund

The Indenture provides for a Special Reserve Fund to be held by the Trustee, which is required to be maintained in an amount (the “Special Reserve Requirement”) equal to the aggregate of all Special Reserve requirements, if any, established for the Series of Bonds Outstanding in the respective Supplemental Indentures authorizing such Series of Bonds.

No Special Reserve Fund requirement will be established for the Offered Bonds and no amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.

Amounts in the Special Reserve Fund, if any, are available to pay interest on, principal of or sinking fund installments on Outstanding Bonds as described above under “Debt Service Reserve Fund.”

There are currently no amounts on deposit in the Special Reserve Fund.

Bond Coverage Certificates

The Corporation is required to deliver to the Trustee a certificate demonstrating Bond Coverage (as defined under “Summary of Certain Provisions of the Indenture — Certain Definitions”) upon the occurrence of various events under the Indenture, including, but not limited to, (i) the delivery of a Series of Bonds, (ii) the disbursement of amounts from the Mortgage Loan Fund to acquire Acquired Obligations, and (iii) any release of moneys free and clear of the lien of the Indenture to the Corporation.

In addition, any such Bond Coverage Certificate delivered to the Trustee is required to conform to the requirements of the Indenture and any Supplemental Indenture, including any tax covenants contained therein. See “Summary of Certain Provisions of the Indenture — Tax Covenants.”

No assurance can be given that the assumptions used in a Bond Coverage Certificate will in fact be realized.

Additional Bonds

Additional Bonds (including Refunding Bonds) may be issued pursuant to the Indenture upon compliance with the provisions thereof, which includes the requirement that no Additional Bonds may be issued under the Indenture without the delivery to the Trustee of a certificate demonstrating Bond Coverage after issuance of such Additional Bonds. Because all Bonds rank on a parity with each other, the availability of money for repayment of the Offered Bonds could be significantly affected by the issuance of Additional Bonds. See “Sources of Payment and Security for the Bonds — Bond Coverage Certificates,” “Summary of Certain Provisions of the Indenture — Provisions for Issuance of Bonds” and “Summary of Certain Provisions of the Indenture — Provisions for Refunding Issues.”

APPLICATION OF FUNDS

Proceeds of the Offered Bonds and certain amounts contributed by the Corporation are expected to be applied and deposited approximately as follows:

Deposit to 2024 Series A Account of the Mortgage Loan Fund to Purchase Mortgage Loans	\$ 76,407,785.11
Deposit to 2024 Series C Account of the Mortgage Loan Fund to Purchase Mortgage Loans	120,347,808.96
Refunding of Refunded Obligations	51,855,000.00 [†]
Deposit to Debt Service Reserve Fund	4,950,213.26 ^{††}
Payment of Underwriting Fee	1,237,793.82
Payment of other Costs of Issuance	<u>250,000.00</u>
TOTAL	<u>\$255,048,601.15</u>

[†] In connection with the refunding of the Refunded Obligations, approximately \$50,755,069 aggregate principal amount of Transferred Mortgage Loans will be transferred and made subject to the lien and pledge of the Indenture and allocated to the 2024 Series B Bonds and approximately \$16,944,958 aggregate principal amount of Prior Series Mortgage Loans currently allocated under the Indenture to Prior Series Bonds, which are already pledged to the Bonds, will be reallocated to the 2024 Series B Bonds.

^{††} Includes amounts contributed by the Corporation and amounts transferred and made subject to the lien and pledge of the Indenture in connection with the refunding of the Refunded Obligations.

THE OFFERED BONDS

General

The Offered Bonds will be dated as set forth on the cover page and interest thereon will be payable on the dates set forth on the cover page. The Offered Bonds will be issuable in the denominations set forth on the cover page and will mature on the dates and in the amounts set forth on the inside cover page.

The Offered Bonds will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from their dated date to maturity (or prior redemption) at the applicable rates, as set forth on the inside cover page.

The Offered Bonds are being issued only as fully-registered bonds without coupons, in book-entry form only, registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as securities depository for the Offered Bonds. See “Book Entry Only” below.

Redemption

Special Redemption

Redemption from Unexpended Proceeds. The 2024 Series A Bonds are subject to redemption at the option of the Corporation at 100% of the original issue price thereof, plus accrued interest, at any time, from amounts in the 2024 Series A Account of the Mortgage Loan Fund not applied to purchase Acquired Obligations. Any amounts remaining in the 2024 Series A Account of the Mortgage Loan Fund on July 1, 2027 are required by the 2024 Series A Supplemental Indenture to be applied to redeem 2024 Series A Bonds on September 1, 2027, at 100% of the original issue price thereof, plus accrued interest. Amounts available to redeem 2024 Series A Bonds as described in this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Series A Bonds, *provided* that the ratio of 2024

Series A Bonds maturing June 1, 2054 (the “Series A PAC Bonds”) Outstanding to all 2024 Series A Bonds Outstanding immediately following such redemption may not be less than such ratio immediately prior to such redemption.

The 2024 Series B Bonds are *not* subject to redemption from unexpended proceeds.

The 2024 Series C Bonds are subject to redemption at the option of the Corporation at 100% of the original issue price thereof, plus accrued interest, at any time, from amounts in the 2024 Series C Account of the Mortgage Loan Fund not applied to purchase Acquired Obligations. Any amounts remaining in the 2024 Series C Account of the Mortgage Loan Fund on June 1, 2027 are required by the 2024 Series C Supplemental Indenture to be applied to redeem 2024 Series C Bonds on August 1, 2027, at 100% of the original issue price thereof, plus accrued interest. Amounts available to redeem 2024 Series C Bonds as described in this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Series C Bonds, *provided* that the ratio of 2024 Series C Bonds maturing December 1, 2053 (the “Series C PAC Bonds”; the Series A PAC Bonds and the Series C PAC Bonds each “PAC Bonds of a Series” and collectively, the “PAC Bonds”) Outstanding to all 2024 Series C Bonds Outstanding immediately following such redemption may not be less than such ratio immediately prior to such redemption.

Redemption from Amounts in the 2024 Series A Special Redemption Account, 2024 Series B Special Redemption Account and the 2024 Series C Special Redemption Account of the Redemption Fund. The 2024 Series A Bonds are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, on any date beginning December 1, 2024, from amounts deposited in the 2024 Series A Special Redemption Account of the Redemption Fund. Amounts so available to redeem the 2024 Series A Bonds may be applied at the direction of the Corporation to any maturity of the 2024 Series A Bonds; *provided* that such amounts may be applied to redeem the Series A PAC Bonds only if and to the extent that the principal amount of such Bonds Outstanding exceeds the Series A PAC Outstanding Amount (set forth below) for the related period, unless otherwise required by the Code or if no other 2024 Series A Bonds remain Outstanding.

The 2024 Series B-1 Bonds are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, on any date beginning December 1, 2024, from amounts deposited in the 2024 Series B Special Redemption Account of the Redemption Fund. Amounts so available to redeem the 2024 Series B-1 Bonds may be applied at the direction of the Corporation to any maturity of the 2024 Series B-1 Bonds.

The 2024 Series B-2 Bonds are *not* subject to redemption from amounts deposited in the 2024 Series B Special Redemption Account of the Redemption Fund.

The 2024 Series C Bonds are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, on any date beginning December 1, 2024, from amounts deposited in the 2024 Series C Special Redemption Account of the Redemption Fund. Amounts so available to redeem the 2024 Series C Bonds may be applied at the direction of the Corporation to any maturity of the 2024 Series C Bonds; *provided* that such amounts may be applied to redeem the Series C PAC Bonds only if and to the extent that the principal amount of such Bonds Outstanding exceeds the Series C PAC Outstanding Amount (set forth below) for the related period, unless no other 2024 Series C Bonds remain Outstanding.

Amounts deposited in the 2024 Series A Special Redemption Account, the 2024 Series B Special Redemption Account and the 2024 Series C Special Redemption Account of the Redemption Fund as directed by the Corporation are expected to consist primarily of Pledged Receipts in excess of

(a) scheduled debt service with respect to all Outstanding Bonds, (b) any amount required to replenish the Debt Service Reserve Fund and the Special Reserve Fund to their respective requirements, if any, (c) any amount required to fund the payment of Program Expenses and (d) amounts not used for recycling. Proceeds of the sale of Acquired Obligations constitute Pledged Receipts and may under certain circumstances be deposited in the Redemption Fund and used to redeem Bonds. See “Summary of Certain Provisions of the Indenture — Mortgage Loan Fund” and “— Corporation’s Programs.” However, the Corporation covenants in the 2024 Series A, B and C Supplemental Indenture not to redeem the 2024 Series A Bonds, the 2024 Series B-1 Bonds or 2024 Series C Bonds as described under this subheading “Redemption from Amounts in the 2024 Series A Special Redemption Account, the 2024 Series B Special Redemption Account and the 2024 Series C Special Redemption Account of the Redemption Fund” from the proceeds of (i) a voluntary sale of Mortgage Certificates or (ii) a voluntary sale of Mortgage Loans, unless such Mortgage Loans are (a) in default, (b) not in compliance with the Corporation’s Program requirements or (c) sold in order to meet the Corporation’s tax covenants. Such voluntary Mortgage Certificate sale proceeds and voluntary Mortgage Loan sale proceeds (except from sales of Mortgage Loans described in clauses (a), (b) or (c) of the immediately preceding sentence) may only be used to redeem 2024 Series A Bonds, 2024 Series B-1 Bonds or 2024 Series C Bonds as described below under “Redemption When 2024 Series A Bonds, 2024 Series B-1 Bonds or 2024 Series C Bonds Outstanding are 15% or Less of Initial Amount” and “Optional Redemption.”

Applicable federal tax law requires redemption of the Tax-Exempt Bonds on or before certain dates and in certain amounts in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. See “Tax Matters — Tax-Exempt Bonds — Other Requirements Imposed by the Code — Required Redemptions.” It is currently expected that the following approximate percentages of principal repayments and prepayments of the 2024 Series A Mortgage Loans received on or after the dates set forth in the following table, will be required by the Internal Revenue Code of 1986, as amended (the “Code”), to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the 2024 Series A Bonds.

<u>Date</u>	<u>Approximate Percentage</u>
March 5, 2024	0%
March 5, 2034 and thereafter	100

Such percentages and dates derive from the Corporation’s expected use of proceeds. No assurance can be given that the actual use of proceeds will be such as to produce such percentages, or that the Code will not be amended so as to no longer require such redemptions.

Current federal tax law requires a payment to the United States from certain mortgagors whose mortgage loans are originated after December 31, 1990. See “Tax Matters — Tax-Exempt Bonds — Other Requirements Imposed by the Code — Recapture Provision.” Since such recapture requirement remains in effect with respect to any mortgage loan subject thereto for a period ending nine years from the closing of such mortgage loan, the Corporation is unable to predict what effect, if any, such requirement will have on the origination or prepayment of Mortgage Loans to which such provision applies.

Special Mandatory Redemption. The Series A PAC Bonds are subject to mandatory redemption, at 100% of the principal amount thereof, plus accrued interest, from amounts deposited in the 2024 Series A Special Redemption Account of the Redemption Fund or any other source of funds available therefor, on December 1, 2024, and thereafter on each June 1 and December 1, in an amount equal to the lesser of (i) prepayments and principal repayments of 2024 Series A Mortgage Loans (the “Series A PAC Loans”) received as of the 60th day prior to such date (except to the extent needed to pay scheduled principal and sinking fund payments of 2024 Series A Bonds) and (ii) the amount by which the principal

amount of Series A PAC Bonds then Outstanding exceeds the Series A PAC Outstanding Amount (set forth below and subject to adjustment as described below) for the related period.

The Series C PAC Bonds are subject to mandatory redemption, at 100% of the principal amount thereof, plus accrued interest, from amounts deposited in the 2024 Series C Special Redemption Account of the Redemption Fund or any other source of funds available therefor, on December 1, 2024, and thereafter on each June 1 and December 1, in an amount equal to the lesser of (i) prepayments and principal repayments of 2024 Series C Mortgage Loans (the “Series C PAC Loans”; together with the Series A PAC Loans, the “PAC Loans”) received as of the 60th day prior to such date (except to the extent needed to pay scheduled principal and sinking fund payments of 2024 Series C Bonds) and (ii) the amount by which the principal amount of Series C PAC Bonds then Outstanding exceeds the Series C PAC Outstanding Amount (set forth below and subject to adjustment as described below) for the related period.

<u>Period Ending</u>	<u>Series A PAC Outstanding Amount</u>	<u>Series C PAC Outstanding Amount</u>
December 1, 2024	\$20,825,000	\$34,440,000
June 1, 2025	20,145,000	32,970,000
December 1, 2025	19,135,000	31,000,000
June 1, 2026	17,815,000	28,565,000
December 1, 2026	16,245,000	26,060,000
June 1, 2027	14,680,000	23,625,000
December 1, 2027	13,160,000	21,260,000
June 1, 2028	11,690,000	18,970,000
December 1, 2028	10,260,000	16,740,000
June 1, 2029	8,875,000	14,585,000
December 1, 2029	7,535,000	12,490,000
June 1, 2030	6,235,000	10,460,000
December 1, 2030	4,980,000	8,495,000
June 1, 2031	3,760,000	6,590,000
December 1, 2031	2,585,000	4,745,000
June 1, 2032	1,445,000	2,960,000
December 1, 2032	340,000	1,235,000
June 1, 2033 and thereafter	0	0

The PAC Outstanding Amounts are based on assumptions (the “PAC Assumptions”) that include, among other assumptions, receipt of principal prepayments on PAC Loans in an amount equal to 75 percent of the Securities Industry and Financial Markets Association’s (formerly known as the Bond Market Association and prior to that as the Public Securities Association) standard prepayment speed assumption model (“PSA”) for 30-year mortgage loans (as further described below). If PAC Bonds of a Series are redeemed as described above under “Redemption from Unexpended Proceeds” (an “Unexpended Proceeds Redemption”), then each related PAC Outstanding Amount will be recalculated to be an amount equal to the product of (i) the original PAC Outstanding Amount and (ii) the fraction whose numerator is the remainder of (a) the original principal amount of PAC Bonds of such Series less (b) the cumulative principal amount of PAC Bonds of such Series redeemed pursuant to all such Unexpended Proceeds Redemptions, and whose denominator is the original principal amount of PAC Bonds of such Series.

The PAC Assumptions may differ from the assumptions made in establishing the dates and amounts of the Sinking Fund Payments and maturities of the 2024 Series A Bonds and 2024 Series C Bonds. See “Assumptions Regarding Revenues, Debt Service Requirements, and Program Expenses.” The Corporation makes no representation that actual experience will conform to the PAC Assumptions. If actual experience differs from the PAC Assumptions, the principal amount of PAC Bonds of as Series actually redeemed in each semiannual period pursuant to the provision described under this subheading may differ from that derived from the related PAC Outstanding Amounts.

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The PSA model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. PSA does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the PAC Loans. One hundred percent PSA assumes prepayment rates of 0.2 percent per year of the then-unpaid principal balance of such mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent PSA assumes a constant prepayment rate of six percent per year. Multiples will be calculated from this prepayment rate series; e.g., 200 percent PSA assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12 percent per year in month 30 and remaining constant at 12 percent per year thereafter.

The weighted average life of a bond refers to the average of the length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid, weighted by the amount of such installment. The weighted average life of PAC Bonds of a Series will be influenced by, among other factors, the rate at which principal prepayments on the related PAC Loans are received.

Set forth in the following table are the projected weighted average lives (in years) of the PAC Bonds, based upon various rates of prepayment of the related PAC Loans expressed as percentages of the PSA standard prepayment model. The numbers set forth in the following table have not been independently verified or audited by a third party and the Corporation does not make any representation or warranty as to the accuracy of such information. The Corporation has made no projections as to the weighted average lives of PAC Bonds of a Series at rates of prepayment of the related PAC Loans exceeding 500 percent of PSA. The table assumes, among other things, that (i) all Series A PAC Loans will be acquired on the delivery date of the 2024 Series A and B Bonds, (ii) all Series C PAC Loans will be acquired on the delivery date of the 2024 Series C Bonds, (iii) all PAC Loans are prepaid at the percentage of PSA indicated on the table, (iv) all prepayments and scheduled principal repayments of PAC Loans are timely received and the Corporation experiences no foreclosure losses thereon, (v) there will be no optional redemption of 2024 Series A Bonds or 2024 Series C Bonds, (vi) amounts available under the Indenture to be applied to the special redemption of Bonds will only be used to redeem Bonds of the related Series, (vii) amounts available under the Indenture to be applied to the special redemption of 2024 Series A Bonds other than Series A PAC Bonds will be applied pro rata to such other 2024 Series A Bonds then Outstanding, (viii) amounts available under the Indenture to be applied to the special redemption of 2024 Series C Bonds other than Series C PAC Bonds will be applied pro rata to such other 2024 Series C Bonds then Outstanding, and (ix) the remaining 2024 Series A Bonds or 2024 Series C Bonds, as applicable, will not be redeemed as a consequence of the aggregate principal amount of such Bonds then Outstanding becoming equal to or less than 15% of the original aggregate principal amount of such Bonds. Some or all of such assumptions are unlikely to reflect actual experience.

Prepayment Speed (expressed as a percentage of PSA)	Series A PAC Bonds Projected Weighted Average Life (in years)	Series C PAC Bonds Projected Weighted Average Life (in years)
0%	28.1	27.9
25	14.1	14.5
50	6.9	7.1
75	5.0	5.0
100	5.0	5.0
200	5.0	5.0
300	5.0	5.0
400	5.0	5.0
500	5.0	5.0

The PSA model does not purport to be a prediction of the anticipated rate of prepayment of the Series A PAC Loans or Series C PAC Loans, and there is no assurance that such principal prepayments will conform to any of the assumed prepayment rates. No representation is made as to the percentage of the principal balance of the Series A PAC Loans or Series C PAC Loans that will be paid as of any date or as to the overall rate of prepayment.

Redemption When 2024 Series A Bonds, 2024 Series B-1 Bonds or 2024 Series C Bonds Outstanding are 15% or Less of Initial Principal Amount. The 2024 Series A Bonds, the 2024 Series B-1 Bonds and the 2024 Series C Bonds are subject to redemption at 100% of the principal amount thereof, plus accrued interest, in whole on any date at the option of the Corporation, from any source of funds, if, (i) in the case of the 2024 Series A Bonds, the aggregate principal amount of then Outstanding 2024 Series A Bonds (reduced by any 2024 Series A Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the 2024 Series A Bonds (\$11,250,000); (ii) in the case of the 2024 Series B-1 Bonds, the aggregate principal amount of then Outstanding 2024 Series B-1 Bonds (reduced by any 2024 Series B-1 Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the 2024 Series B-1 Bonds (\$2,250,000); and (iii) in the case of the 2024 Series C Bonds, the aggregate principal amount of then Outstanding 2024 Series C Bonds (reduced by any such 2024 Series C Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the 2024 Series C Bonds (\$18,000,000).

Sinking Fund Redemption

The 2024 Series A Bonds maturing on June 1, 2039, June 1, 2044, December 1, 2049 and June 1, 2054, are subject to mandatory redemption in part from sinking fund payments at 100% of the principal amount thereof, plus accrued interest, on the respective dates and in the respective principal amounts set forth below:

Date	2024 Series A Term Bonds Maturing June 1, 2039	2024 Series A Term Bonds Maturing June 1, 2044	2024 Series A Term Bonds Maturing December 1, 2049	2024 Series A PAC Term Bonds Maturing June 1, 2054
June 1, 2036	\$ 905,000			
December 1, 2036	935,000			
June 1, 2037	965,000			
December 1, 2037	995,000			
June 1, 2038	1,025,000			
December 1, 2038	1,060,000			
June 1, 2039	1,090,000 [†]			
December 1, 2039		\$1,130,000		
June 1, 2040		1,165,000		
December 1, 2040		1,205,000		
June 1, 2041		1,240,000		
December 1, 2041		1,280,000		
June 1, 2042		1,320,000		
December 1, 2042		1,360,000		
June 1, 2043		1,405,000		
December 1, 2043		1,450,000		
June 1, 2044		1,495,000 [†]		
December 1, 2044			\$1,540,000	
June 1, 2045			1,590,000	
December 1, 2045			1,640,000	
June 1, 2046			1,690,000	
December 1, 2046			1,745,000	
June 1, 2047			1,800,000	
December 1, 2047			1,855,000	
June 1, 2048			1,915,000	
December 1, 2048			1,975,000	
June 1, 2049			2,040,000	
December 1, 2049			1,300,000 [†]	\$ 800,000
June 1, 2050				2,170,000
December 1, 2050				2,235,000
June 1, 2051				2,310,000
December 1, 2051				2,380,000
June 1, 2052				2,455,000
December 1, 2052				2,535,000
June 1, 2053				2,615,000
December 1, 2053				2,695,000
June 1, 2054				995,000 [†]

[†] Stated Maturity

The 2024 Series B-2 Bonds maturing on December 1, 2031, December 1, 2032, December 1, 2033, December 1, 2034, December 1, 2035 and December 1, 2036 are subject to mandatory redemption in part from sinking fund payments at 100% of the principal amount thereof, plus accrued interest, on the respective dates and in the respective principal amounts set forth below:

Date	2024 Series B-2 Term Bonds Maturing December 1, 2031	2024 Series B-2 Term Bonds Maturing December 1, 2032	2024 Series B-2 Term Bonds Maturing December 1, 2033	2024 Series B-2 Term Bonds Maturing December 1, 2034	2024 Series B-2 Term Bonds Maturing December 1, 2035	2024 Series B-2 Term Bonds Maturing December 1, 2036
June 1, 2031	\$4,380,000					
December 1, 2031	4,380,000 [†]					
June 1, 2032		\$4,275,000				
December 1, 2032		4,275,000 [†]				
June 1, 2033			\$3,275,000			
December 1, 2033			2,375,000 [†]			
June 1, 2034				\$1,820,000		
December 1, 2034				1,800,000 [†]		
June 1, 2035					\$1,770,000	
December 1, 2035					1,770,000 [†]	
June 1, 2036						\$1,500,000
December 1, 2036						1,500,000 [†]

[†] Stated Maturity

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The 2024 Series C Bonds maturing on June 1, 2039, June 1, 2044, December 1, 2049 and December 1, 2053, are subject to mandatory redemption in part from sinking fund payments at 100% of the principal amount thereof, plus accrued interest, on the respective dates and in the respective principal amounts set forth below:

Date	2024 Series C Term Bonds Maturing June 1, 2039	2024 Series C Term Bonds Maturing June 1, 2044	2024 Series C Term Bonds Maturing December 1, 2049	2024 Series C PAC Term Bonds Maturing December 1, 2053
December 1, 2034	\$1,270,000			
June 1, 2035	1,315,000			
December 1, 2035	1,360,000			
June 1, 2036	1,410,000			
December 1, 2036	1,460,000			
June 1, 2037	1,510,000			
December 1, 2037	1,565,000			
June 1, 2038	1,620,000			
December 1, 2038	1,680,000			
June 1, 2039	1,740,000 [†]			
December 1, 2039		\$1,800,000		
June 1, 2040		1,865,000		
December 1, 2040		1,930,000		
June 1, 2041		2,000,000		
December 1, 2041		2,070,000		
June 1, 2042		2,145,000		
December 1, 2042		2,220,000		
June 1, 2043		2,300,000		
December 1, 2043		2,380,000		
June 1, 2044		2,465,000 [†]		
December 1, 2044			\$2,550,000	
June 1, 2045			2,640,000	
December 1, 2045			2,735,000	
June 1, 2046			2,835,000	
December 1, 2046			2,935,000	
June 1, 2047			3,035,000	
December 1, 2047			3,145,000	
June 1, 2048			3,255,000	
December 1, 2048			3,370,000	
June 1, 2049			3,490,000	
December 1, 2049			365,000 [†]	\$3,250,000
June 1, 2050				3,745,000
December 1, 2050				3,875,000
June 1, 2051				4,015,000
December 1, 2051				4,155,000
June 1, 2052				4,300,000
December 1, 2052				4,455,000
June 1, 2053				4,615,000
December 1, 2053				3,170,000 [†]

[†] Stated Maturity

Any redemption (other than a mandatory redemption from sinking fund payments) of Offered Bonds of a particular Series and maturity will be credited against future sinking fund payments for such Series and maturity (i) on a reasonably proportionate basis or (ii) on such other basis as shall be directed by the Corporation.

Optional Redemption

The Offered Bonds maturing on or after December 1, 2033 are subject to redemption at the option of the Corporation at 100% of the principal amount thereof, plus accrued interest, at any time on or after June 1, 2033, in whole or in part, from any source of funds.

Selection of Bonds for Redemption; Purchase in Lieu of Redemption

If the Offered Bonds are redeemed in part by special redemption or optional redemption, the Offered Bonds to be redeemed will be selected as shall be directed by the Corporation. If less than all the Offered Bonds of a particular maturity of a Series are to be redeemed, the particular Offered Bonds to be redeemed will be selected by the Trustee by lot, using such method of selection as it deems proper in its discretion, or on such other basis as shall be directed by the Corporation.

In lieu of redeeming Bonds, the Corporation may from time to time, prior to notice of redemption, purchase Bonds from moneys held for redemption of Bonds, provided that such purchase may not be at a price in excess of the principal amount thereof, plus accrued interest, except as otherwise provided in the Indenture.

Notice of Redemption

Notice of the redemption, identifying the Offered Bonds or portion thereof to be redeemed, will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 days and not less than 30 days prior to the redemption date to the registered owner of each Offered Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Neither failure to receive any redemption notice nor any defect in such redemption notice so given shall affect the sufficiency of the proceedings for redemption.

Book Entry Only

General

The Offered Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Offered Bonds. Purchasers of such Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the Offered Bonds are immobilized in the custody of DTC, references to holders or owners of Offered Bonds (except under “Tax Matters”) mean DTC or its nominee.

The information in this section concerning DTC and the DTC book-entry system has been obtained from DTC, and neither the Corporation nor the Underwriters take responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Offered Bond certificate will be issued for all Offered Bonds of each particular Series and maturity bearing the

same interest rate (and otherwise of like tenor), in the aggregate principal amount of the Offered Bonds of such Series and maturity bearing the same interest rate (and otherwise of like tenor), and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the

Offered Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds of a particular Series and maturity bearing the same interest rate (and otherwise of like tenor) are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Offered Bonds of such Series and maturity bearing the same interest rate (and otherwise of like tenor) to be redeemed.

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

Payments of principal and purchase price of and interest on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE OFFERED BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE OFFERED BONDS, ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE, THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OFFERED BONDS OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED BONDHOLDER.

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Offered Bond certificates are required to be printed and delivered as described in the Indenture.

The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Offered Bond certificates will be required to be printed and delivered as described in the Indenture.

If bond certificates are issued, the principal and interest due upon maturity or redemption of any of the Offered Bonds will be payable at the office of the Trustee, as paying agent, upon presentation and surrender of such Offered Bonds by the registered owner thereof on or after the date of maturity or redemption, as the case may be. Payment of the interest on each Offered Bond (prior to the maturity or earlier redemption thereof) will be made by the Trustee to the registered owner of such Offered Bond by check mailed by first class mail (or, upon request of a registered owner of \$1,000,000 or more aggregate principal amount of such Offered Bond, by wire transfer) on the interest payment date to such registered owner as of the 20th day of the preceding month at the address appearing on the registration books relating to the Offered Bonds.

If bond certificates are issued, the Offered Bonds may be transferred and exchanged by the registered owner thereof or the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's duly authorized attorney at the office of the Trustee in Seattle, Washington. For every such exchange or transfer the Corporation or the Trustee may charge the transferee to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee is not obligated to make any such transfer or exchange during the 10 days next preceding the selection of any Offered Bond for redemption, nor of any Offered Bond so selected for redemption. If any Offered Bond is mutilated, lost, stolen or destroyed, the Trustee may execute and deliver a new Offered Bond or Offered Bonds of the same series, maturity, interest rate and principal amount as the Offered Bond or Offered Bonds so mutilated, lost, stolen or destroyed, provided that such Offered Bond is surrendered to the Trustee, or evidence of loss, destruction or theft, together with satisfactory indemnity, is provided to the Trustee. The fees and expenses of the Corporation and the Trustee in connection with such replacement shall be paid by the owner.

ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND PROGRAM EXPENSES

The Corporation expects that the scheduled payments, together with prepayments received, if any, of principal of and interest on all Acquired Obligations and other amounts held under the Indenture (except the Rebate Fund) and the earnings thereon will be sufficient to pay, when due, the debt service on the Bonds and the Program Expenses in connection with the Program.

In establishing the dates and amounts of the Sinking Fund Payments and maturities of the Offered Bonds, the following assumptions, among others, were made by the Corporation:

1. no Additional Bonds will be issued;
2. on the date of issuance of the 2024 Series A and B Bonds, the proceeds of the 2024 Series A and B Bonds will be applied as described above under "Introduction";
3. on the date of issuance of the 2024 Series A and B Bonds, a portion of the lendable proceeds of the 2024 Series A Bonds will be used to purchase approximately \$57.9 million aggregate principal amount of Series A Available Mortgage Loans that, as of November 30, 2023, bore interest at the rates and had outstanding principal balances and weighted average remaining terms as described under "Acquired Obligations — Series A Available Mortgage Loans";
4. on or after the date of issuance of the 2024 Series A and B Bonds, the remainder of the lendable proceeds of the 2024 Series A Bonds will be used to purchase approximately \$18.4 million aggregate principal amount of additional first lien loans bearing interest at approximately 5.750%;

5. on the date of issuance of the 2024 Series A and B Bonds, there will be transferred to the lien and pledge of the Indenture and allocated to the 2024 Series B Bonds Transferred Mortgage Loans with an approximate aggregate principal balance, bearing interest at an approximate weighted average yield to the Corporation, with an approximate weighted average mortgage loan coupon rate to the borrower and with an approximate weighted average remaining term, all as described under “Acquired Obligations — Transferred Mortgage Loans”;

6. on the date of issuance of the 2024 Series A and B Bonds, the Corporation from its unrestricted general funds will pay costs of issuance with respect to the 2024 Series B Bonds and make a deposit to the Debt Service Reserve Fund as reflected under “Application of Funds”;

7. on the date of issuance of the 2024 Series A and B Bonds, a total of approximately \$1.0 million made available as a result of the refunding of the Refunded Obligations will be deposited to the Debt Service Reserve Fund;

8. on the date of issuance of the 2024 Series C Bonds, the proceeds of the 2024 Series C Bonds will be applied as described above under “Introduction”;

9. on the date of issuance of the 2024 Series C Bonds, a portion of the lendable proceeds of the 2024 Series C Bonds will be used to purchase approximately \$120.3 million aggregate principal amount of Series C Available Mortgage Loans that, as of November 30, 2023, bore interest at the rates and had outstanding principal balances and weighted average remaining terms as described under “Acquired Obligations — Series C Available Mortgage Loans”;

10. on the date of issuance of the 2024 Series C Bonds, the Corporation from its unrestricted general funds will make a deposit to the Debt Service Reserve Fund as reflected under “Application of Funds”;

11. scheduled principal of and interest on Mortgage Loans will be paid on the first day of the month following the scheduled payment date therefor, and Acquired Obligations will not be prepaid or otherwise terminated prior to maturity;

12. losses on defaulted Mortgage Loans will not exceed any applicable insurance coverage or guarantees and recoveries upon disposition, including foreclosures or sales in lieu of foreclosures;

13. amounts in all Funds and Accounts under the Indenture will be invested at an annual rate of 0.05%; and

14. the Servicers will be paid a monthly servicing fee of one-twelfth of 0.375% of the then-outstanding aggregate principal balance of the Mortgage Loans, and other semiannual Program Expenses of the Corporation and the Trustee under the Program will be equal to 0.055% of the principal amount of then outstanding Acquired Obligations in the Mortgage Loan Fund.

The Corporation believes it is reasonable to make such assumptions, but no representation is made that the assumptions reflect any particular set of historical circumstances, no assurance can be given that actual receipt of amounts under the Indenture will be sufficient to pay debt service on the Bonds (including the Offered Bonds) when due and Program Expenses of the Corporation and the Trustee under the Program, and to the extent that actual experience differs from any of the assumptions, availability of such amounts may be significantly affected. The Corporation has a history of actively recycling Mortgage Loan prepayments and excess revenues into new qualifying mortgage loans when economically appropriate and also when economically appropriate of using such amounts to redeem bonds and refund

such redeemed bonds and thereafter make new qualifying mortgage loans, and presently intends to continue to do both. The Corporation currently expects to recycle prepayments and scheduled repayments of Mortgage Loans allocable to the 2024 Series B Bonds. The rate of principal payments is likely to vary considerably over time. Generally, a borrower may prepay a Mortgage Loan at any time without penalty. Because so many factors affect the rate of prepayment of a pool of mortgage loans, the Corporation cannot estimate or predict the rate of principal payments on the Mortgage Loans.

ACQUIRED OBLIGATIONS

Prior Series Mortgage Loans

As of November 30, 2023, there were Prior Series Mortgage Loans with an outstanding aggregate principal balance of \$735,308,189, bearing interest at a weighted average yield to the Corporation of approximately 3.833% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 3.720% per annum and a weighted average remaining term of 297 months.

The following table sets forth certain information as of November 30, 2023, regarding the type of primary mortgage insurance coverage originally applicable to the Prior Series Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Prior Series Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Prior Series Mortgage Loans Primary Insurance

<u>Type</u>	<u>Outstanding Principal Balance</u>	<u>Percentage of Total Prior Series Mortgage Loans by Outstanding Principal Balance</u>
Uninsured [†]	\$299,511,776	40.7%
Private Mortgage Insurance	259,337,069	35.3%
Federally Insured - FHA	76,349,430	10.4%
Federally Insured - RD	53,145,639	7.2%
Federally Insured - HUD 184	26,510,880	3.6%
Federally Insured - VA	<u>20,453,395</u>	<u>2.8%</u>
TOTAL	<u>\$735,308,189</u>	<u>100.0%</u>

[†] Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% (90% in the case of Rural Program Mortgage Loans) and insurance coverage was therefore not required.

In connection with the refunding of the Refunded Obligations, approximately \$16,944,958 aggregate principal amount of Prior Series Mortgage Loans currently allocated under the Indenture to Prior Series Bonds will be reallocated to the Offered Bonds.

Transferred Mortgage Loans

In connection with the refunding of the Refunded Obligations, Transferred Mortgage Loans with an approximate aggregate principal balance of \$50,755,069 will be transferred and made subject to the lien and pledge of the Indenture and allocated to the 2024 Series B Bonds from a pool of mortgage loans (the "Eligible Mortgage Loans") currently allocated to a portion of the Refunded Obligations.

As of November 30, 2023, there were Eligible Mortgage Loans with an outstanding aggregate principal balance of \$565,881,292, bearing interest at a weighted average yield to the Corporation of approximately 3.718% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 3.736% per annum and a weighted average remaining term of approximately 300 months.

The following table sets forth certain information as of November 30, 2023, regarding the type of primary mortgage insurance coverage originally applicable to the Eligible Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Eligible Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Eligible Mortgage Loans Primary Insurance

<u>Type</u>	<u>Outstanding Principal Balance</u>	<u>Percentage of Total Eligible Mortgage Loans by Outstanding Principal Balance</u>
Uninsured [†]	\$296,845,109	52.4%
Private Mortgage Insurance	187,040,572	33.1%
Federally Insured - FHA	34,408,501	6.1%
Federally Insured - RD	19,388,780	3.4%
Federally Insured - VA	15,873,005	2.8%
Federally Insured - HUD 184	<u>12,325,325</u>	<u>2.2%</u>
TOTAL	<u>\$565,881,292</u>	<u>100.0%</u>

[†] Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% (90% in the case of Rural Program Mortgage Loans) and insurance coverage was therefore not required.

Series A Available Mortgage Loans

As of November 30, 2023, there were Series A Available Mortgage Loans with an outstanding aggregate principal balance of \$57,874,618, bearing interest at a weighted average yield to the Corporation of approximately 6.449% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 5.985% per annum and a weighted average remaining term of approximately 355 months.

The following table sets forth certain information as of November 30, 2023, regarding the type of primary mortgage insurance coverage originally applicable to the Series A Available Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Series A Available Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Series A Available Mortgage Loans Primary Insurance

<u>Type</u>	<u>Outstanding Principal Balance</u>	<u>Percentage of Total Series A Available Mortgage Loans by Outstanding Principal Balance</u>
Private Mortgage Insurance	\$26,426,393	45.7%
Uninsured [†]	15,770,827	27.3%
Federally Insured - FHA	9,403,662	16.2%
Federally Insured - VA	3,369,678	5.8%
Federally Insured - HUD 184	1,565,968	2.7%
Federally Insured - RD	<u>1,338,090</u>	<u>2.3%</u>
TOTAL	<u>\$57,874,618</u>	<u>100.0%</u>

[†] Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% (90% in the case of Rural Program Mortgage Loans) and insurance coverage was therefore not required.

Series C Available Mortgage Loans

As of November 30, 2023, there were Series C Available Mortgage Loans with an outstanding aggregate principal balance of \$120,512,783, bearing interest at a weighted average yield to the Corporation of approximately 6.993% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 6.623% per annum and a weighted average remaining term of approximately 356 months.

The following table sets forth certain information as of November 30, 2023, regarding the type of primary mortgage insurance coverage originally applicable to the Series C Available Mortgage Loans. No representation is made as to the current status of primary mortgage insurance coverage or the current loan-to-value ratios of the Series C Available Mortgage Loans. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

Series C Available Mortgage Loans Primary Insurance

<u>Type</u>	<u>Outstanding Principal Balance</u>	<u>Percentage of Total Series C Available Mortgage Loans by Outstanding Principal Balance</u>
Private Mortgage Insurance	\$59,421,308	49.3%
Uninsured [†]	49,437,591	41.0%
Federally Insured - FHA	8,323,138	6.9%
Federally Insured - RD	1,520,948	1.3%
Federally Insured - HUD 184	1,123,815	0.9%
Federally Insured - VA	<u>685,983</u>	<u>0.6%</u>
TOTAL	<u>\$120,512,783</u>	<u>100.0%</u>

[†] Uninsured Mortgage Loans represent loans in which the original loan-to-value ratio was not in excess of 80% (90% in the case of Rural Program Mortgage Loans) and insurance coverage was therefore not required.

Mortgage Loan Underwriting

The following description provides certain information concerning the Corporation's current underwriting requirements for single-family Mortgage Loans (including the 2024 Series A Mortgage

Loans), including requirements with respect to loan-to-value ratios, loan amounts and primary mortgage insurance. No representation is made as to whether or not the Prior Series Mortgage Loans or the Transferred Mortgage Loans conformed to such current requirements. The Corporation's current underwriting requirements for single-family Mortgage Loans may be revised at any time. See "Sources of Payment and Security for the Bonds — Mortgage Loans."

Eligibility

Each Mortgage Loan must be secured by a single-family residence, duplex, triplex, or fourplex. Assuming satisfaction of the requirements described below under "— Income Limits" and "— Purchase Price Requirements," eligibility is without regard to location of the dwelling within the State. The dwelling to be purchased with proceeds of a Mortgage Loan must be designed for residential use and intended for use and used as the principal residence of the borrower, with the exception of 2-4 unit properties located in a rural "small community," as defined by the State of Alaska, which allows for non-owner occupancy. A new first-lien Mortgage Loan may not be financed with respect to a dwelling securing an outstanding first-lien Mortgage Loan unless the new Mortgage Loan will retire the outstanding Mortgage Loan.

General Terms

Each Mortgage Loan must:

- (1) be serviced by a servicer approved by the Corporation (see "Acquired Obligations — Mortgage Servicing" below);
- (2) be secured by a first or second lien on real estate in fee simple or on a leasehold estate and (A) if a first lien, be subject only to permitted encumbrances, or (B) if a second lien, be subject only to permitted encumbrances including a first-lien mortgage;
- (3) if the Mortgage Loan is secured by a first lien and if the loan-to-value ratio of the property exceeds 80% (90% in the case of Rural Program Mortgage Loans), be the subject of private mortgage insurance, federal insurance, or federal guarantee, with benefits in each case payable to the Corporation;
- (4) be for the purchase or refinancing of completed, owner-occupied residential housing, the improvement or rehabilitation of owner-occupied residential housing, or the purchase or refinancing of owner-occupied residential housing together with improvement or rehabilitation of the housing, which in any case is eligible for purchase by the Corporation under the terms otherwise described in this section; and
- (5) be insured by an American Land Title Association (ALTA) insurance policy issued by a title insurance company qualified to do business in the area in which the residence is located and acceptable to the Corporation, insuring the enforceable mortgage, subject only to permitted encumbrances or in the case of a second-lien mortgage, subject only to permitted encumbrances and the first-lien mortgage. Second lien mortgages do not require an ALTA policy.

The Corporation computes the maximum amount of a second-lien Mortgage Loan so that the outstanding amount of the first-lien Mortgage Loan plus the maximum amount of the second-lien Mortgage Loan does not exceed the applicable loan-to-value ratio. All loan-to-value ratios and maximum loan amounts will be reduced if and to the extent any applicable VA, FHA, HUD or RD loan-to-value ratio or maximum loan limits are reduced for Alaska.

Loan-to-Value Ratios, Maximum Loan Amounts, and Minimum Down Payments

The Corporation requires that the loan-to-value ratio and the loan amounts for each Mortgage Loan be as follows:

(1) Other than as provided in paragraphs (3), (4), and (5) below, the loan-to-value ratio of a Mortgage Loan for the purchase of a single family residence may not exceed 95%, the loan-to-value ratio of a Mortgage Loan for the purchase of a duplex residence may not exceed 90%, and the loan-to-value ratio of a Mortgage Loan for the purchase of a triplex or four-plex residence may not exceed 80%;

(2) The maximum loan amount on a first Mortgage Loan for a 1-unit single family residence may not exceed the applicable FNMA or FHLMC maximum loan amount for the same type of property by more than 10%; for a duplex, triplex or four-plex the maximum loan amount may not exceed the limitations on first mortgages for similar housing purchased by FNMA;

(3) The amount of the guarantee plus the down payment on a mortgage loan guaranteed by the VA must equal 25% of the value of the residence based on the lesser of sales price or appraisal, and the VA guarantee must equal the maximum guarantee possible under the VA program;

(4) The maximum loan amounts, minimum down payments, and loan-to-value ratios of Mortgage Loans insured or guaranteed by FHA or HUD will be as required by FHA or HUD;

(5) The maximum loan amounts, minimum down payments, and loan-to-value ratios of Mortgage Loans guaranteed by RD will be as required by RD; and

(6) The loan-to-value ratio of a refinancing loan may not exceed the limits established by FHA, VA, or RD for similar refinance loans.

Income Limits

For income restricted programs, the Corporation requires that, for each Mortgage Loan, the mortgagor's income must be in accordance with Section 143(f) of the Code.

Purchase Price Requirements

For the Corporation's restricted loan programs, the acquisition cost of each residence may not exceed the specified percentage of the average area purchase price of the statistical area in which the residence being finance is located, as determined by the Corporation in accordance with Section 143 of the Code.

Loan Terms

Mortgage Loans may have any term up to 30 years, but are typically in the form of a 15-year term or a 30-year term. Approximately 95% of Mortgage Loans are originated with a 30-year term.

Lender Qualification

The Corporation acquires the Mortgage Loans from its approved lenders (the "Lenders"). There are approximately 25 Lenders approved by the Corporation. All of the Lenders must have an office in Alaska. The Corporation requires each Lender to provide audited financial statements and proof of insurance to the Corporation on an annual basis. Lenders must maintain policies of worker's

compensation insurance (minimum coverage of \$100,000 per person per occurrence) and general liability insurance (minimum coverage of \$1,000,000 per occurrence), and a fidelity bond and errors and omissions insurance (coverage based on origination volume; minimum of \$300,000). The Corporation also performs annual audits of at least 10% of the loans purchased from each Lender during each year to assure compliance with AHFC underwriting standards and program requirements.

Underwriting Process

Mortgage Loans undergo one of three underwriting processes: Full Underwriting process, Program Compliance process, or Delegated process, respectively.

Under the Full Underwriting process, the Corporation performs a full underwriting of the Mortgage Loan. The Corporation uses this process only for loans originated by regional housing authorities in the State of Alaska and for the smallest lenders.

Under the Program Compliance process, the Lender determines the applicant's creditworthiness and adequacy of the subject property for collateral. The Corporation reviews each loan undergoing the Program Compliance process, but only to determine eligibility based on any applicable income limitations, acquisition cost limitations, or other relevant tax-compliance criteria. Newly-approved Lenders generally originate Mortgage Loans under the Program Compliance process. The Corporation audits all Mortgage Loans originated by each newly-approved Lender for a period of generally six to twenty-four months (depending on origination volume) under the Program Compliance process as a prerequisite to advancing to Delegated underwriting.

The Corporation permits its most experienced Lenders to underwrite Mortgage Loans using the Delegated process. Under the Delegated process, the Lender underwrites the complete loan, which includes eligibility based on income, creditworthiness, adequacy of the subject property as collateral, and program compliance.

Mortgage Servicing

Prior to purchasing any Mortgage Loan, the Corporation requires the originating institution (which generally thereafter acts as the servicer (the "Servicer")) to furnish to the Corporation the original mortgage note and a copy of the title insurance policy in an amount equal to the unpaid principal due on the Mortgage Loan. The Corporation also requires generally that all taxes, assessments and water and sewage charges have been duly paid and that a hazard insurance policy exists in an amount equal to the unpaid principal due on the mortgage. The Servicer services the mortgage loan for a fee, charged monthly at an annual rate. As compensation for servicing loans for the Corporation, the Servicer is paid servicing fees pursuant to the contractual agreements in place, generally not less than $\frac{3}{8}$ of 1% on the unpaid principal due on such mortgage loan. The Corporation has adopted standards for qualifying eligible servicing institutions and underwriting and servicing guidelines with respect to the recording of and collection of principal and interest on the Mortgage Loans and the rendering to the Corporation of an accounting of funds collected. The servicing of a Mortgage Loan includes the responsibility for foreclosure, but not the bearing of any expenses thereof. The Servicer is expected to utilize collection and foreclosure prevention techniques during the various stages of delinquency to meet the goal of bringing delinquent Mortgage Loans current in the shortest time possible. The Servicers' collection policies and procedures address loss mitigation methods which include, but are not limited to, working with distressed borrowers on a temporary forbearance of less than or equal to a full payment and/or repayment of the delinquency. The Corporation requires its Servicers to have a collection program to address early payment defaults and to encourage listing the property for sale to avoid foreclosure. Foreclosures are undertaken when it has been determined the borrowers are unable to maintain their mortgage payments.

See “Primary Mortgage Insurance” below. The Servicer is required to pay, from the mortgage payments, taxes, assessments, levies and charges, and premiums for hazard insurance and mortgage insurance, as they may become due.

All collected principal and interest payments on the Mortgage Loans are required to be deposited by the Servicer in a depository bank to be held in escrow for the Trustee. Such funds (net of applicable servicing fees) are remitted to the depository by the Servicer on the day following receipt when total collections of such Servicer equal or exceed \$5,000. Such funds are held in a custodial account and invested for the benefit of the Trustee pending their transfer once a month to the Trustee. Additional monthly payments on the Mortgage Loans, representing payments for such items as property taxes and mortgage insurance, are retained by the Servicer and applied as necessary.

The Corporation maintains detailed Mortgage Loan collection information on its internal data processing system. The Corporation’s system generates the collection reports and consolidates actual collections by individual bond series.

The Corporation reviews individual Servicer reports to ascertain the extent of mortgagor payment delinquencies and Servicer processing delays in order to determine the appropriate corrective action, if any, to be taken by the Corporation or the Servicer. Under the Corporation’s monitoring system, a Servicer is subject to enhanced review when its monthly reports for two consecutive months show delinquency rates more than 1.50 times the average delinquency rates experienced by the Servicer group as a whole.

Pledge of Mortgage Loans

The assignment to the Corporation of each deed of trust relating to a Mortgage Loan deposited in the Mortgage Loan Fund is required to be recorded with the appropriate real property recording office for the jurisdiction in which the mortgaged property is located. The Indenture pledges, to the Trustee and the owners of the Bonds, the Mortgage Loans, the related deeds of trust, the Pledged Receipts and any and all assets held in any Fund or Account (except the Rebate Fund) under the Indenture. Section 18.56.120 of the Act provides that such a pledge is valid and binding from the time the pledge is made and, further, that any assets or revenues so pledged are immediately subject to the lien of the pledge without physical delivery or any further act and without regard to whether any third-party has notice of the lien of the pledge. Physical custody of each mortgage note is retained by the Corporation and the related deed of trust is retained by the originating lending institution. Notwithstanding the fact that the Trustee does not have physical possession of those instruments, and while Bond Counsel is unaware of any controlling judicial precedent, it is the opinion of Bond Counsel that the effect of (i) recording the assignment in the form described, (ii) execution and delivery of the Indenture and (iii) the statutory provisions referred to above afford the Trustee (on behalf of owners of the Bonds) a fully perfected security interest in the Mortgage Loans which have been so assigned.

Primary Mortgage Insurance

The following description of certain types of private mortgage insurance and guarantees (relating to individual Mortgage Loans), and of the Corporation’s requirements with respect to such insurance or guarantees for single-family Mortgage Loans, is only a brief outline of current provisions thereof and does not purport to summarize or describe all such current provisions. Although certain of the Transferred Mortgage Loans may originally have been insured by FHA, guaranteed by VA, HUD or RD or insured under a private mortgage insurance policy, no representation is made as to whether or not such insurance or guarantees or the original loan to value ratios with respect to Transferred Mortgage Loans conformed to the following description. The Corporation makes no representations about the financial

condition of any of the private mortgage insurance companies or their ability to make full and timely payment to us of claims on the Mortgage Loans on which they may experience losses.

Any first lien Mortgage Loan with an original principal amount exceeding 80% (90% in the case of Rural Program Mortgage Loans) of the value of the mortgaged property is required to be (i) insured by the FHA, (ii) guaranteed by the VA, HUD or RD, or (iii) insured under a private mortgage insurance policy in an amount (a) equal to 30% of the Mortgage Loan if the original loan-to-value ratio is between 90.00% and 95.00% and is a 30 year mortgage, (b) equal to 25% of the Mortgage Loan if the original loan-to-value ratio is between 85.00% and 90.00% and is a 30 year mortgage; (c) equal to 12% of the Mortgage Loan if the original loan-to-value ratio is between 80.00% and 95.00% and is a 30 year mortgage; (d) equal to 25% of the Mortgage Loan if the original loan-to-value ratio is between 80% and 95% and is a 15 year mortgage; (e) equal to 12% of the Mortgage Loan if the original loan-to-value ratio is between 85.00% and 90.00% and is a 15 year mortgage; (f) equal to 6% of the Mortgage Loan if the original loan-to-value ratio is between 80.00% and 85.00% and is a 15 year mortgage. FHA insurance coverage and the HUD guarantee equal 100% of the outstanding principal balance of all FHA-insured or HUD-guaranteed Mortgage Loans. The maximum guarantee that may be issued by the VA with full entitlement is 25% of the loan amount. For partial entitlement the maximum amount of guaranty entitlement is 25% of the Fannie Mae and Freddie Mac conforming loan limit reduced by the amount of entitlement previously used (not restored). For all VA-guaranteed Mortgage Loans, the VA guarantee plus the down payment must be at least 25% of the original Mortgage Loan amount. The RD guarantee covers the lesser of (a) any loss up to 90% of the original principal amount of the Mortgage Loan or (b) any loss in full up to 35% of the original principal amount of the Mortgage Loan plus 85% of the remaining 65% of the principal amount actually advanced to the mortgagor on any additional loss. The FHA insurance or VA, HUD or RD guarantee must be maintained according to the insurer or guarantee guidelines. A private mortgage insurance policy is required to be maintained in force and effect (a) for the period during which the Corporation owns an interest in the Mortgage Loan or (b) until the outstanding principal amount of the Mortgage Loan is reduced to a 80% LTV (90% for Rural Programs) of the lesser of the original appraised value of the mortgaged property or the original sales price of the mortgaged property and the loan is current or (c) for renovation loans the LTV is 80% of the original "as complete" appraised value and the loan is current. The cost of any such insurance or guarantee will be paid by the mortgagor.

In general, FHA, VA, HUD and RD regulations and private mortgage insurance contracts provide for the payment of insurance benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured or guaranteed mortgage loan and the continuance of such failure for a stated period. In order to receive payment of insurance benefits, a mortgage lender, such as the Corporation, normally must acquire title to the property, either through foreclosure or conveyance in lieu of foreclosure, and convey such title to the insurer or guarantor. In general, primary mortgage insurance benefits, as limited by the amount of coverage indicated above, are based upon the amount of unpaid principal, interest and advances of the mortgage loan at the date of institution of foreclosure proceedings or the acquisition of the property after default, as the case may be, adjusted to reflect certain payments paid or received by the mortgage lender. Where property to be conveyed to an insurer has been damaged, it is generally required, as a condition to payment of an insurance claim, that such property be restored to its original condition (reasonable wear and tear excepted) by the mortgage lender prior to such conveyance. FHA, HUD, VA and RD servicing rules require servicers to perform loss mitigation techniques to resolve delinquencies. The Servicers' collection policies and procedures address loss mitigation methods which include, but are not limited to, working with distressed borrowers on a temporary forbearance of less than or equal to a full payment and/or repayment of the delinquency. Foreclosures are undertaken when it has been determined the borrowers are unable to maintain their mortgage payments. For those particular borrowers who can no longer afford their mortgage payments,

Servicers work with the insurer or guarantor for evaluation and completion of a short sale with the insurer or guarantor participating in the loss.

Standard Hazard Insurance Policies

The following is a brief description of standard hazard insurance policies and reference must be made to the actual underlying policies for a complete and accurate description.

Each mortgagor is required to maintain for the mortgaged property a standard hazard insurance policy in an amount which is not less than (i) the maximum insurable value of the mortgaged property or (ii) the unpaid principal amount of the Mortgage Loan, whichever is less. The insurance policy is required to be written by an insurance company qualified to do business in the State. The mortgagor pays the cost of the standard hazard insurance policy.

In general, a standard insurance policy form of fire with extended coverage policy insures against physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, riot, strike, and civil commotion, subject to the conditions and exclusions particularized in each policy. Policies typically exclude physical damage resulting from the following: war, revolution, governmental action, floods and other water-related causes, earth movement (including earthquakes, landslides and mud-slides), nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft, and, in certain cases, vandalism.

Alaska Foreclosure Law

The real estate security instrument customarily used in the State is the deed of trust. The parties to the deed of trust are the trustor (debtor), trustee and beneficiary (lender). Trustees are commonly title insurance companies. Both summary and judicial foreclosure proceedings are permitted. The deed of trust does not effect a conveyance of legal title, which remains in the trustor. The beneficiary acquires a security interest (lien) which may be enforced in accordance with the terms of the deed of trust and State statutes. Failure of the trustor to perform any of the covenants of the deed of trust generally constitutes an event of default entitling the beneficiary to declare a default and exercise its right of foreclosure.

Summary foreclosure may be used if provided for in the deed of trust. All deeds of trust securing Mortgage Loans transferred to a Series Account of the Mortgage Loan Fund contain provisions which permit summary foreclosure. Following a default by the trustor, upon request of the beneficiary and not less than 90 days before the sale, the trustee must record a notice of default in the recording district in which the property is located. Within 10 days of the recording the notice of default, the trustee must mail a copy of the notice of default to the trustor, any successors in interest to the trustor, anyone in possession or occupying the property, and anyone who has an interest subsequent to the interest of the trustee in the deed of trust. In addition to the mailed notice requirement, notice of sale of real property shall be published on an Internet website beginning at least 45 days before the date of the sale. If the default may be cured by the payment of money, the trustor may cure the default at any time prior to sale by payment of the sum in default without acceleration of the principal which would not then be due in the absence of default, plus actual costs and attorney's fees due to the default. If default has been cured under the same deed of trust after notice of default two or more times, the trustee may elect to refuse payment and continue the foreclosure proceeding to sale. Notice of the sale must be posted in accordance with advertising requirements. The sale must be made at public auction at a courthouse of the superior court in the judicial district where the property is located, unless the deed of trust provides for a different place. After the sale, an affidavit of mailing the notice of default, an affidavit of publication of the notice and an affidavit of internet publication must be recorded in the recording district where the property is located. The foreclosure sale and conveyance transfers all the title and interest which the trustor had in the

property sold at the time of the execution of the deed of trust plus all interest the trustor may have acquired before the sale and extinguishes all junior liens. There is no right of redemption unless otherwise provided by the deed of trust. A deficiency judgment is prohibited where summary foreclosure is utilized.

Judicial foreclosure is also permitted. A deficiency judgment is allowed where judicial foreclosure is utilized, but judicial foreclosure is much more time-consuming than summary foreclosure. The judgment debtor under a judicial foreclosure proceeding has the right to redeem the property within 12 months from the order of confirmation of the sale. If the judgment debtor redeems the property, title to the property reverts to the debtor. Otherwise, within 60 days after the order confirming the sale, any subsequent lien creditor can redeem the property. There can be as many redemptions as there are subsequent lien creditors. Upon expiration of the redemption period, the purchaser or redeemer is entitled to a Clerk's Deed to the property.

THE CORPORATION

Certain Definitions

"Authority" means the Alaska State Housing Authority.

"Board" means the Board of Directors of the Corporation.

"Department" means the former Department of Community and Regional Affairs.

"Dividend Plan" means the dividend plan adopted by the Board in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State.

"Division" means The Public Housing Division of the Corporation.

"HUD" means the U.S. Department of Housing and Urban Development.

"Self-Liquidity Bonds" means, collectively, the Corporation's State Capital Project Bonds II, 2017 Series B; State Capital Project Bonds II, 2018 Series A; and State Capital Project Bonds II, 2019 Series A.

General

The Corporation was established in 1971 as a non-stock, public corporation and government instrumentality of the State. The Corporation currently functions as a major source of residential mortgage loan financing and capital project financing in the State. The Corporation's programs were originally established to take advantage of tax-exempt financing permitted under federal income tax law. Mortgages which meet applicable federal income tax requirements are financed by selling tax-exempt bonds. All other mortgages generally are financed through the issuance of taxable bonds or from internal funds. Since 1972, the Corporation has acquired mortgage loans by appropriation from the State and by purchase from independent originating lending institutions operating throughout the State. On July 1, 1992, the Corporation succeeded to the public housing functions of the Authority and the rural housing and residential energy functions of the Department pursuant to legislation enacted in the State's 1992 legislative session. As a result, the rights and obligations created by bonds and notes that were previously issued by the Authority became rights and obligations of the Corporation.

The Corporation prepares and publishes on its website a monthly Mortgage and Bond Disclosure Report containing detailed information concerning characteristics of the Corporation's mortgage loan portfolios and outstanding bond issues, including bond redemptions and mortgage prepayments. The Corporation presently intends to continue to provide such information, but is not legally obligated to do so. Certain financial and statistical information relating to the Corporation and its programs under the subheadings "Activities of the Corporation," "Financial Results of Operations" and "Legislative Activity/Transfers to the State — Dividend to the State of Alaska" below was obtained from the November 2023 Mortgage and Bond Disclosure Report of the Corporation and the audited financial statements of the Corporation as of and for the year ended June 30, 2023. Copies of such financial statements and disclosure report may be obtained upon request from the Corporation. The Corporation's main office is located at 4300 Boniface Parkway, Anchorage, Alaska 99504, and its telephone number is (907) 338-6100. Electronic versions of the financial statements and disclosure reports are available at the Corporation's website.

Board of Directors, Staff and Organization

The Corporation is required by law to comply (except for the procurement provisions of the Alaska Executive Budget Act), and does comply, with the State budget process. The Corporation administratively operates within the State Department of Revenue. The Board of Directors of the Corporation is comprised of the Commissioner of Revenue, the Commissioner of Commerce, Community and Economic Development and the Commissioner of Health and Social Services, as well as four members from the following sectors of the general public appointed by the Governor to serve two-year terms: one member with expertise or experience in finance or real estate; one member who is a rural resident of the State or who has expertise or experience with a regional housing authority; one member who has expertise or experience in residential energy efficient home-building or weatherization; and one member who has expertise or experience in the provision of senior or low-income housing. The powers of the Corporation are vested in and exercised by a majority of its Board of Directors then in office, who may delegate such powers and duties as appropriate and permitted under the Act. The Corporation's current members of its Board of Directors are as follows:

<u>Name</u>	<u>Location</u>
Mr. Brent LeValley Chair	Retired Fairbanks, Alaska
Mr. Jess Hall	Hall Quality Homes Palmer, Alaska
Mr. Allen Hippler	Tagiugmiullu Nunamiullu Housing Authority Anchorage, Alaska
Mr. David Pruhs	Mayor, City of Fairbanks Fairbanks, Alaska
Mr. Adam Crum Commissioner Alaska Department of Revenue	Juneau, Alaska
Ms. Heidi Hedberg Commissioner Alaska Department of Health	Juneau, Alaska
Ms. Julie Sande Commissioner Alaska Department of Commerce, Community and Economic Development	Juneau, Alaska

Principal financial officers of the Corporation are as follows:

Bryan Butcher - Chief Executive Officer/Executive Director. Mr. Butcher rejoined the Corporation on August 7, 2013. Prior to his appointment as Chief Executive Officer/Executive Director, Mr. Butcher served as Commissioner of the Alaska Department of Revenue from January 2011 to August 2013, as the Corporation's director of governmental relations and public affairs from 2003 to 2011, and as a senior aide to the House and Senate Finance Committees of the Alaska Legislature for 12 years. Mr. Butcher holds a Bachelor of Science degree from the University of Oregon.

Akis Gialopsos - Deputy Executive Director. Mr. Gialopsos joined the Corporation in January 2023, having previously worked in the Alaska Legislature in various aide positions, including to the Alaska House of Representatives, to the Chief of Staff for the Alaska Senate President and to the Senate Resources Committee. He also served as Deputy Chief of Staff and as Legislative Director in the Office of Governor Mike Dunleavy. Mr. Gialopsos is a graduate of the University of Alaska, Anchorage.

Michael Strand - Chief Financial Officer/Finance Director. Mr. Strand joined the Corporation in 2001, and previously served as Senior Finance Officer, Finance Officer and Financial Analyst II. Mr. Strand is a graduate of the University of Alaska, Anchorage, with Bachelor of Business Administration degrees in Finance and Economics.

Derrick Chan - Senior Finance Officer. Mr. Chan joined the Corporation in 2014, and previously served as Financial Analyst II and Planner I. Mr. Chan is a graduate of the University of Oregon with a Bachelor of Business Administration degree and also holds a Master of Business Administration degree with concentrations in Finance and Investments from the Alaska Pacific University.

Activities of the Corporation

The principal activity of the Corporation is the purchase of residential mortgage loans. This activity has been supplemented by the merger with the Authority under which the Corporation assumed responsibility for the public housing functions of the Authority and its assumption of the rural housing and residential energy functions of the Department. See "The Corporation — General."

Financing Activities

The Corporation is authorized by the State Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as the Corporation deems necessary to provide sufficient funds for carrying out its purpose.

Pursuant to State law, the maximum amount of bonds that the Corporation may issue during any fiscal year (the Corporation's fiscal years end on June 30) is \$1.5 billion. Bonds issued to refund outstanding bonds and to refinance outstanding obligations of the Corporation are not counted against the maximum annual limit.

Since 1986, implementation of refinancing programs by the Corporation has resulted in the prepayment of outstanding mortgage loans with a corresponding redemption at par of substantial amounts of the Corporation's notes or bonds secured by such mortgage loans.

Since 1997, the Corporation has issued certain Self-Liquidity Bonds, which are variable rate demand obligations with weekly interest rate resets. If these bonds are tendered or deemed tendered, the Corporation has the obligation to purchase any such bonds that cannot be remarketed. This general

obligation is not secured by any particular funds or assets, including any assets that may be held under the related indentures. The Corporation may issue additional bonds for which it will provide liquidity support, similar to that which it currently provides for the Self-Liquidity Bonds.

Other variable rate demand obligations issued by the Corporation are the subject of liquidity facilities provided by third-party liquidity providers in the form of standby bond purchase agreements. If such obligations are tendered or deemed tendered, the related liquidity provider is obligated to purchase any such obligations that cannot be remarketed. Such purchase obligation also arises in connection with the expiration of such facility in the absence of a qualifying substitute therefor. Bonds so purchased and held by third-party liquidity providers will thereupon begin to bear higher rates of interest and be subject to accelerated mandatory redemption by the Corporation, in each case in accordance with and secured by the related indenture.

The following table sets forth certain information regarding the Corporation's variable rate demand obligations as of November 30, 2023:

<u>Bond Series</u>	<u>Amount Outstanding</u>	<u>Liquidity Provider (or Self-Liquidity)</u>	<u>Facility Expiration Date</u>
Governmental Purpose Bonds, 2001 Series A and B	\$ 63,635,000	Federal Home Loan Bank - Des Moines	April 22, 2025
Home Mortgage Revenue Bonds, 2002 Series A	26,260,000	Federal Home Loan Bank- Des Moines	April 22, 2025
Home Mortgage Revenue Bonds, 2007 Series A, B and D	202,200,000	Federal Home Loan Bank- Des Moines	December 15, 2025
Home Mortgage Revenue Bonds, 2009 Series A and B	145,000,000	Wells Fargo Bank, N.A.	August 19, 2024
Home Mortgage Revenue Bonds, 2009 Series D	72,495,000	Federal Home Loan Bank- Des Moines	April 22, 2025
State Capital Project Bonds II, 2017 Series B	90,000,000	Self-Liquidity	NA [†]
State Capital Project Bonds II, 2018 Series A	90,000,000	Self-Liquidity	NA [†]
State Capital Project Bonds II, 2019 Series A	140,000,000	Self-Liquidity	NA [†]
State Capital Project Bonds II, 2022 Series A	<u>200,000,000</u>	Barclays Bank PLC	June 1, 2027
	<u>\$1,029,590,000</u>		

[†] The Corporation's obligation to purchase Self-Liquidity Bonds tendered or deemed tendered remains in effect so long as the related variable rate bonds are outstanding or until a qualifying third-party liquidity facility has replaced it.

The Corporation's financing activities include, in addition to the issuance of Bonds under the Indenture, recurring long-term debt issuances under established bond indentures described below. Such issuances constitute the majority of the Corporation's financing activities.

Home Mortgage Revenue Bonds. The Corporation issues Home Mortgage Revenue Bonds to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and/or other assets are pledged as collateral for the Home Mortgage Revenue Bonds. Home Mortgage Revenue Bonds are also general obligations of the Corporation.

General Mortgage Revenue Bonds II. The Corporation issues General Mortgage Revenue Bonds II to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and other assets are pledged as collateral for the General Mortgage Revenue Bonds II. General Mortgage Revenue Bonds II are general obligations of the Corporation.

Collateralized Bonds. The Corporation funds its Veterans Mortgage Program with the proceeds of State-guaranteed Collateralized Bonds. Qualified mortgage loans and/or mortgage-backed securities are pledged as collateral for the Collateralized Bonds. Collateralized Bonds are also general obligations of the Corporation and general obligations of the State.

Governmental Purpose Bonds. The Corporation issues Governmental Purpose Bonds to finance capital expenditures of the State for governmental purposes, with certain proceeds available for general corporate purposes. Governmental Purpose Bonds are general obligations of the Corporation.

State Capital Project Bonds II. The Corporation issues State Capital Project Bonds II to finance designated capital projects of State agencies and the Corporation, to refund other obligations of the Corporation and to finance building purchases that may or may not be secured by lease agreements between the Corporation and the State of Alaska. State Capital Project Bonds II are general obligations of the Corporation.

The following tables set forth certain information as of November 30, 2023, regarding bonds issued under the above-described financing programs and the Bonds issued under the Indenture:

Bonds Issued and Remaining Outstanding by Program

<u>Bond Program</u>	<u>Issued through</u> <u>11/30/2023</u>	<u>Issued During</u> <u>Five Months</u> <u>Ended</u> <u>11/30/2023</u>	<u>Outstanding</u> <u>as of</u> <u>11/30/2023</u>
State Capital Project Bonds II	\$ 2,137,310,000	\$ 99,995,000	\$1,217,695,000
General Mortgage Revenue Bonds II	1,045,960,000	0	598,540,000
Home Mortgage Revenue Bonds	1,262,675,000	0	445,955,000
Governmental Purpose Bonds	973,170,000	0	63,635,000
Collateralized Bonds			91,245,000
(Veterans Mortgage Program)	842,785,000	49,900,000	
Other Bonds	<u>14,283,874,122</u>	<u>0</u>	<u>0</u>
Total Bonds	<u>\$20,545,774,122</u>	<u>\$149,895,000</u>	<u>\$2,417,070,000</u>

Summary of Bonds Issued and Remaining Outstanding

	<u>Issued through</u> <u>11/30/2023</u>	<u>Issued During Five</u> <u>Months Ended</u> <u>11/30/2023</u>	<u>Outstanding</u> <u>as of</u> <u>11/30/2023</u>
Tax-Exempt Bonds	\$15,043,849,122 [†]	\$149,895,000	\$1,803,090,000
Taxable Bonds	<u>5,501,925,000</u>	<u>0</u>	<u>613,980,000</u>
Total Bonds	<u>\$20,545,774,122</u>	<u>\$149,895,000</u>	<u>\$2,417,070,000</u>
Self-Liquidity Bonds ^{††}	<u>\$440,250,000</u>	<u>\$0</u>	<u>\$320,000,000</u>

[†] Includes release of proceeds of \$193,100,000 Mortgage Revenue Bonds originally issued in 2009.

^{††} For information only. These amounts are already included in the categories above.

The Corporation's financing activities also include recurring short-term debt issuances under established programs or agreements. The proceeds of such issuances may be used for any lawful purpose of the Corporation; however, the Corporation has in the past used and intends to continue to use such proceeds to temporarily refund outstanding tax-exempt obligations prior to their permanent refunding through the issuance of tax-exempt bonds.

Commercial Paper Notes Program. On June 13, 2007, the Corporation's Board of Directors authorized a domestic Commercial Paper Notes Program with a major dealer under which the maximum principal amount of notes outstanding at any one time shall not exceed \$150,000,000. The Commercial Paper Notes Program is rated "P-1" by Moody's, "A-1+" by S&P, and "F1+" by Fitch.

Reverse Repurchase Agreements. The Corporation may enter into reverse repurchase agreements in such amounts as it deems necessary for carrying out its purpose.

TBA Markets. From time to time, in lieu of utilizing the proceeds of bond issues to finance certain federally insured or guaranteed mortgage loans, the Corporation pools those mortgage loans into GNMA Mortgage-Backed Securities and sells the securities into the national TBA ("To Be Announced") future delivery market.

Lending Activities

The Corporation finances its lending activities with a combination of general operating funds, bond proceeds, and loan prepayments and earnings derived from the permitted spread between borrowing and lending rates. The Corporation acquires mortgage loans after they have been originated and closed by direct lenders, which normally are financial institutions or mortgage companies with operations in the State. Under many of the Corporation's programs, the originating lender continues to service the mortgage loan on behalf of the Corporation. The Corporation also makes available a streamlined refinance option that allows applicants to obtain new financing secured by property that is currently financed by the Corporation without income, credit, or appraisal qualifications.

In addition to the lending programs described below, the Corporation funded a loan totaling approximately \$145 million (\$50 million on November 20, 2013; \$24 million on July 29, 2016; \$46 million on June 9, 2017; and \$25 million on January 12, 2018) for the construction and rehabilitation of rental housing on two United States Army bases in the State, Fort Wainwright and Fort Greely, bearing interest at a rate of 6.625% per annum and amortizing over a 40-year term maturing April 15, 2058, with a 35-year lockout for prepayment. As of November 30, 2023, the remaining principal balance on this loan was \$138,741,543.

Following are brief descriptions of the Corporation's lending programs:

First Home Limited Program. The First Home Limited Program offers lower interest rates to eligible borrowers who meet income, purchase price, and other requirements of the Code.

First Home Program. The First Home Program offers a reduced interest rate to first-time homebuyers who do not meet the Code requirements of the First Home Limited Program.

Veterans Mortgage Program. The Veterans Mortgage Program offers a reduced interest rate to qualified veterans who purchase or construct owner-occupied single-family residences or, with certain restrictions, who purchase a duplex, triplex, or fourplex.

Rural Loan Program. The Rural Loan Program offers financing to purchase, construct, or renovate owner occupied and non-owner occupied housing in small communities. The Rural interest rate is one percent below the calculated cost of funds established for the Corporation's Taxable Program and

is applied to the first \$250,000 of the loan only. The balance of the loan is at the Rural interest rate plus 1%.

My Home Program. The My Home Program is available statewide for applicants or properties not meeting requirements of other Corporation programs. Borrowers and properties must meet the Corporation's general financing requirements.

Uniquely Alaskan Program. The Uniquely Alaskan Program is targeted toward non-conforming loans for certain properties for which financing may not be obtained through private, state or federal mortgage programs.

Military Facility Zone Program. The Military Facility Zone Program is available for qualified two-to-four unit properties in Alaska's designated Military Facility Zone through June 30, 2024.

Multi-Family Loan Purchase Program. The Corporation participates with approved lenders to provide financing for the acquisition, rehabilitation, and refinancing of multi-family housing (buildings with at least five units and designed principally for residential use) as well as certain special-needs and congregate housing facilities.

The following tables set forth certain information as of November 30, 2023, regarding the mortgage loans financed under the above-described lending programs:

Mortgage Purchases by Program

<u>Loan Program</u>	<u>Original Principal Balance of Mortgage Loans Purchased during FY 2023</u>	<u>Original Principal Balance of Mortgage Loans Purchased during the Five Months Ended 11/30/2023</u>
My Home	\$199,113,535	\$125,971,268
First Home	107,987,743	78,455,700
First Home Limited	75,569,661	49,553,861
Veterans	40,099,277	39,081,295
Rural	47,683,159	11,840,845
Multi-Family/Special Needs	22,226,725	3,852,000
Other Loan Programs	<u>5,354,630</u>	<u>1,123,050</u>
Total Mortgage Purchases	<u>\$498,034,730</u>	<u>\$309,878,019</u>

Percentage of Original Principal Balance
of Total Mortgage Purchases during
Period Representing Streamline
Refinance Loans

0.0%

0.1%

Mortgage Portfolio Summary

	<u>As of 6/30/2023</u>	<u>As of 11/30/2023</u>
Mortgages	\$3,110,614,523	\$3,294,896,303
Participation Loans	83,672,212	98,116,398
Unconventional Loans/Real Estate Owned	<u>49,952,606</u>	<u>75,071,831</u>
Total Mortgage Portfolio	<u>\$3,244,239,341</u>	<u>\$3,468,084,532</u>

Mortgage Insurance Summary[†]

<u>Type</u>	<u>Outstanding Principal Balance as of 11/30/2023</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Uninsured ^{††}	\$1,920,116,883	55.4%
Private Mortgage Insurance ^{†††}	971,573,196	28.0%
Federally Insured – FHA	210,434,092	6.0%
Federally Insured – VA	178,965,496	5.2%
Federally Insured – RD	114,281,513	3.3%
Federally Insured – HUD 184	<u>72,713,352</u>	<u>2.1%</u>
TOTAL	<u>\$3,468,084,532</u>	<u>100.0%</u>

[†] This table contains information regarding the types of primary mortgage insurance coverage applicable to the Corporation's mortgage loans at their respective originations. No representation is made as to the current status of primary mortgage insurance coverage.

^{††} Uninsured Mortgage Loans represent loans for which the original loan-to-value ratio was not in excess of 80% (90% for loans in rural areas) and insurance coverage was therefore not required. No representation is made as to current loan-to-value ratios.

^{†††} The following table sets forth information with respect to the providers of such private mortgage insurance. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

<u>PMI Provider</u>	<u>Outstanding Principal Balance as of 11/30/2023</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Radian Guaranty	\$332,046,864	9.6%
United Guaranty	197,220,220	5.7%
Mortgage Guaranty	171,860,883	5.0%
Essent Guaranty	113,693,730	3.3%
National Mortgage Insurance	68,542,687	2.0%
Genworth GE	61,242,147	1.8%
CMG Mortgage Insurance	26,153,193	0.8%
PMI Mortgage Insurance	443,167	0.0%
Commonwealth	<u>370,305</u>	<u>0.0%</u>
TOTAL	<u>\$971,573,196</u>	<u>28.0%</u>

The following table sets forth certain delinquency information (including loans receiving forbearance or in loss mitigation) as of November 30, 2023:

Corporation Mortgage Delinquency and Foreclosure Summary

	<u>As of 6/30/2023</u>	<u>As of 11/30/2023</u>
Delinquent 30 Days	1.77%	2.08%
Delinquent 60 Days	0.41%	0.53
Delinquent 90 Days or More	<u>0.73%</u>	<u>0.81</u>
Total Mortgage Delinquency	<u>2.91%</u>	<u>3.42%</u>
	Principal Balance of Mortgage Loans Foreclosed during FY 2023	Principal Balance of Mortgage Loans Foreclosed during the Five Months Ended 11/30/2023
Total Foreclosures	<u>\$4,168,814</u>	<u>\$2,301,964</u>

Public Housing Activities

The Corporation performs certain public housing functions in the State through the Division. The Division operates Low Rent and Section 8 New Construction/Additional Assistance housing to serve low-income families, disabled persons and seniors in several communities throughout Alaska. The Division also administers the rent subsidies for numerous families located in private-sector housing through vouchers, certificates, and coupons issued pursuant to Section 8 of the United States Housing Act of 1937. The Division's operating budget is funded primarily through contracts with HUD. The Division is engaged in a number of multifamily renovation and new construction projects throughout the State.

Financial Results of Operations

The following is a summary of revenues, expenses and changes in net position of the Corporation for each of its five most recent fiscal years ended June 30. For additional detail, see the Statement of Revenues, Expenses, and Changes in Net Position in the Corporation's financial statements as of and for the year ended June 30, 2023, included in Appendix A to this Official Statement.

Summary of Revenues, Expenses and Changes in Net Position (000's)

	Fiscal Year Ended June 30				
	2023	2022	2021	2020	2019
Total Assets and Deferred Outflows	\$4,324,347	\$4,352,496	\$4,502,474	\$4,609,943	\$4,322,532
Total Liabilities and Deferred Inflows	2,696,097	2,753,035	2,886,543	3,002,979	2,751,109
Total Net Position	1,628,250	1,599,461	1,615,931	1,606,964	1,571,423
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Contribution to State or State agency	(8,047)	(933)	(1,011)	0	(2,106)
Change in Net Position	\$28,789	\$1,301	\$8,967	\$35,541	\$32,727

Legislative Activity/Transfers to the State

Prior Transfers to the State

The Board adopted the Dividend Plan in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State. Under the Dividend Plan, in 1991 the Corporation transferred a total of \$114,324,000 to the State. Additionally, in 1995, the Board voted to make a one-time payment to the State in the amount of \$200,000,000. On April 27, 1995, the Corporation agreed to make a one-time transfer of \$50,000,000 to the State and close the Dividend Plan. In 1997, the Corporation transferred to the State's general fund \$20,000,000 made available as a consequence of certain bond retirements.

The Current Transfer Plan

In the fiscal year 1996 capital appropriation bill (the April 27, 1995, agreement referred to in the immediately preceding paragraph and the 1996 capital appropriation bill, as amended, collectively, the "Transfer Plan") the Legislature expressed its intent that the Corporation transfer to the State (or expend on its behalf) amounts not to exceed \$127,000,000 in fiscal year 1996 and \$103,000,000 in each fiscal year from 1997 to 2000, but that, "[T]o ensure the prudent management of [the Corporation and] to protect its excellent debt rating ..." in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 1998 Legislature adopted legislation (the "1998 Act") authorizing the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. The 1998 Act also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 2000 Legislature adopted legislation (the "2000 Act") authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008.

The 2002 Legislature adopted legislation (the "2002 Act") authorizing the issuance of \$60,250,000 in capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities.

The 2004 Legislature adopted legislation (the "2004 Act") authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of State Capital Project Bonds pursuant to the 2004 Act, and has completed its issuance authority under the Acts. Payment of principal and interest on these bonds is categorized as a transfer pursuant to the Transfer Plan and is included in the Corporation's capital budget.

The 2003 Legislature enacted Chapter 76 SLA 2003, subsequently amended by Chapter 120 SLA 2004, Chapter 7 SLA 2006 and Chapter 35 SLA 2010 (as so amended, the "2003 Act"), which modified and incorporated provisions of the Transfer Plan. The Corporation views the 2003 Act as an indefinite,

sustainable continuation of the Transfer Plan. The 2003 Act provides that the amount transferred by the Corporation to the State in fiscal years 2004, 2005, and 2006 shall not exceed \$103,000,000 (in each case, less debt service on certain State Capital Project Bonds and any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget).

The 2003 Act further provides that the amount transferred by the Corporation to the State in each fiscal year beginning with fiscal year 2007 shall not exceed:

- (i) the lesser of (A) \$103,000,000 and (B) the respective percentage of adjusted change in net assets for the fiscal year two years prior thereto (the "base fiscal year") for such fiscal year set forth in the table below, less
- (ii) debt service on certain State Capital Project Bonds, less
- (iii) any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget.

<u>Fiscal Year</u>	<u>Percentage of Adjusted Change in Net Assets</u>
2007	95%
2008	85%
2009 and thereafter	75%

Under the 2003 Act, "adjusted change in net assets" means the change in net assets for a base fiscal year as reflected in the Corporation's financial statements, adjusted for capital expenditures incurred during such year and, effective June 20, 2010, temporary market value adjustments to assets and liabilities made during such year.

Dividend to the State of Alaska

Following are the details of the Corporation's dividend to the State as of June 30, 2023 (in thousands).

	<u>Dividend Due to State</u>	<u>Expenditures</u>	<u>Remaining Commitments</u>
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
Corporation Capital Projects	<u>592,842</u>	<u>(541,762)</u>	<u>51,080</u>
Total	<u>\$2,194,308</u>	<u>\$(2,095,633)</u>	<u>\$98,675</u>

(Includes FY24 Dividend of \$23.4 million, as approved by the Legislature in the 2023 Session)

Corporation Budget Legislation

The Corporation's fiscal year 2025 operating budget is expected to be enacted by the Legislature during the 2024 legislative session. Consistent with the Transfer Plan, the fiscal year 2025 capital budget is expected to include \$47.9 million from the adjusted change in net position for payment of debt service, appropriation for capital projects and transfers to the State General Fund.

There can be no assurance that the Legislature or the Governor of the State will not seek and/or enact larger dividends or other transfers of Corporation assets by legislative enactment or other means in the future.

Litigation

There are no threatened or pending cases in which the Corporation is or may be a defendant which the Corporation feels have merit and which it feels could give rise to materially negative economic consequences.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. The summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Indenture. For a description of certain provisions of the Indenture relating to the Offered Bonds, see “The Offered Bonds” and “Sources of Payment and Security for the Bonds.”

Certain Definitions (Section 101)

“Acquired Obligation” means (a) any Mortgage Loan credited or to be credited to a Fund or Account pursuant to the Indenture or any Supplemental Indenture authorizing the issuance of a Series of Bonds, (b) any Collateral Mortgage Asset that has been released from the lien of its Prior Indenture and is credited or to be credited to a Fund or Account pursuant to the Indenture or any Supplemental Indenture, or (c) any Mortgage Certificate that (i) represents an Acquired Obligation described in (a) or (b) of this definition and (ii) is credited or to be credited to any Fund or Account pursuant to the Indenture or any Supplemental Indenture authorizing the issuance of a Series of Bonds.

“Appreciated Amount” means, with respect to a Deferred Interest Bond, (i) as of any date of computation with respect to any Deferred Interest Bond up to the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, an amount equal to the initial principal amount of such Deferred Interest Bond plus the interest accrued on such Deferred Interest Bond from the date of original issuance of such Deferred Interest Bond to the applicable Interest Payment Date next preceding the date of computation or the date of computation if an applicable Interest Payment Date, such interest amount to accrue at the rate per annum set forth in the Supplemental Indenture authorizing such Deferred Interest Bonds, compounded on each applicable Interest Payment Date, plus, if such date of computation shall not be an applicable Interest Payment Date, a portion of the difference between the Appreciated Amount as of the immediately preceding applicable Interest Payment Date (or the date of original issuance if the date of computation is prior to the first applicable Interest Payment Date succeeding the date of original issuance) and the Appreciated Amount as of the immediately succeeding applicable Interest Payment Date, calculated based upon an assumption that the Appreciated Amount accrues in equal daily amounts on the basis set forth in the Supplemental Indenture authorizing such Deferred Interest Bond; and (ii) as of any date of computation on and after the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, the Appreciated Amount as of such current interest payment commencement date.

“Bond Coverage” means a condition which will be deemed to exist as of any date of certification if either the test set forth in paragraph (A) below or the test set forth in paragraph (B) below is met as of such date:

(A) The Corporation delivers to the Trustee a Certificate certifying that the schedules attached thereto show Parity and receipt and application of Eligible Funds (including assets that are anticipated to be transferred to any Fund specified in the applicable Supplemental Indenture from any Prior Indentures as described in the following sentence but not including Eligible Funds to be derived from any Mortgage Loan that is not secured by a Mortgage constituting a first lien on the property encumbered by such Mortgage) which are in any Fund sufficient and available to provide timely payment of the principal of and interest on the Bonds on each Payment Date and Program Expenses, up to the amount permitted to be paid out of the Revenue Fund pursuant to the Indenture, from (and including) the first interest payment date that is or that follows the date of certification to the maturity of the Bonds. To the extent that satisfaction of the requirement of the preceding sentence requires application of amounts from a Prior Indenture, the Corporation shall include as part of the Certificate described in the preceding sentence a schedule showing the availability of such amounts for transfer in accordance with the terms of such Prior Indenture when and as scheduled in such Certificate and the Corporation shall attach to such Certificate such cash flow projections (based upon the assumptions described in this definition) as may be necessary to demonstrate such availability of such assets. For purposes of the first sentence of this paragraph (a), the Corporation shall not include Eligible Funds to be derived from Residential Housing that is intended to provide housing for more than four families unless the Corporation has first obtained a letter from each Rating Agency stating that the inclusion of Eligible Funds to be derived from such Residential Housing is acceptable to such Rating Agency. In each case the Certificate must show sufficient funds under each of the following sets of assumptions and assume the redemption of Bonds in accordance with all applicable provisions of the Indenture:

(1) assuming receipt of Scheduled Payments (but no prepayments not theretofore received) on any Mortgage Loan or mortgage loans represented by Mortgage Certificates or other assets anticipated to be available pursuant to a Collateral Pledge;

(2) assuming prepayment of 100% of the principal of, and payment of 100% of accrued interest on, all the Mortgage Loans and mortgage loans represented by all the Mortgage Certificates and other assets anticipated to be available pursuant to a Collateral Pledge on the day after the date of certification; and

(3) assuming receipt of Scheduled Payments to, and such 100% prepayment on, the day after the first Payment Date on the Bonds following the date of certification.

(B) The Corporation delivers to the Trustee a Bond Coverage Certificate certifying as to another calculation (including, without limitation, any definition or component thereof) that is of Rating Quality.

Any Certificate delivered to the Trustee pursuant to this definition must conform to the requirements of the Indenture and either (A) or (B) of this definition. When the Corporation delivers a Bond Coverage Certificate under (A) of this definition, the schedules attached to the Certificate will be based upon the Investment Assumptions and the Mortgage Certificate and Loan Assumptions in addition to the assumptions required elsewhere in this definition, and will provide a detailed calculation of all data relevant thereto, setting forth in detail each of the items required to be set forth in such Certificate. The Trustee will review each such Certificate as to its conformity to the requirements of this definition, but as to the actual calculations and conformity to the assumptions required in this definition the Trustee will have no responsibility to verify the same and will be fully protected in relying on such Certificate. For purposes of this definition as applied to Bonds bearing interest at a variable rate, any assumptions made in the calculation of interest in connection with the issuance of such Bonds will be as set forth in the related Supplemental Indenture authorizing the issuance of such Bonds, and any assumptions made in the calculation of interest in connection with the other matters arising under the Indenture will be as set forth

in the related Supplemental Indenture authorizing the issuance of such Bonds or as set forth in an Authorized Officer's Certificate consistent with the related Supplemental Indenture authorizing the issuance of such Bonds. The Corporation may, in its discretion, establish Pledged Mortgage Groupings in accordance with the Indenture for purposes of calculating Bond Coverage under this definition.

"Cash Equivalent" means a letter of credit, insurance policy, surety, guarantee or other security arrangement (a) provided by an institution (which may include the Corporation) which has received a rating of its claims-paying ability or unsecured long-term debt rating from each Rating Agency then rating the applicable Series of Bonds at least equal to the then-existing rating on such Series of Bonds or whose unsecured debt securities are rated at least the then-existing rating on such Series of Bonds (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument) by such Rating Agency or (b) otherwise of Rating Quality.

"Collateral Mortgage Asset" means any asset that is the subject of a Collateral Pledge.

"Collateral Pledge" means a pledge by the Corporation with respect to all assets, or any identified portion of the assets, released or to be released to the Corporation from the lien and pledge of any Prior Indenture pursuant to which the Corporation (i) pledges such assets as security for the Bonds when and as such assets are released from such Prior Indenture and delivered to, or upon the order of, the Corporation and (ii) agrees to deliver such assets upon their release from the Prior Indenture directly to the Trustee for deposit in the Revenue Fund and covenants to so deliver such assets or to take such steps as may be available to the Corporation to cause such assets to be so delivered to the Trustee; the specific assets to be included in a Collateral Pledge shall be identified in the Supplemental Indenture authorizing the issuance of Bonds.

"Deferred Interest Bond" means any Bond designated as such by the Supplemental Indenture authorizing the issuance of such Bond but shall not include any such Bond from and after the date, if any, on which such Bond will bear interest that is payable to the holder of such Bond prior to its scheduled maturity.

"Eligible Funds" (a) means any Pledged Receipts or any moneys or Investment Securities which are at any time on deposit in any Fund (except the Unpledged Funds), or (b) has such other meaning as may be established by a Supplemental Indenture authorizing the issuance of a Series of Bonds.

"Investment Agreement" means a guaranteed investment contract which may be entered into between the Corporation or the Trustee and any major insurance company, bank (including any foreign bank with a branch or agency organized or licensed under the laws of the United States or any state thereof, but only if the investment contract with such foreign bank is accompanied by an opinion of counsel admitted in the foreign jurisdiction of the corporate headquarters of said foreign bank to the effect that such investment contract is valid and enforceable under the laws of such foreign jurisdiction, and including the Trustee) or other corporation having outstanding unsecured obligations rated at least AA-/A-1 or equivalent by each Rating Agency; provided that any Investment Agreement also: (i) shall clearly state the exact entity of the obligor, the value of invested funds guaranteed, the fixed or determinable rate of guaranteed interest, and the termination date (revision in any of these terms requiring either approval of 100% of the Bondholders, notification of the Rating Agencies or original document language setting forth minimum standards for extensions, substitutions or other terms); (ii) shall contain either an unconditional, irrevocable obligation to pay by the obligor and be written in favor of the Trustee or provision for collateralization at a level acceptable to the Rating Agencies; (iii) shall not be cancelable for failure to cover any fees or premiums from an unrated source and its enforceability shall be warranted; (iv) shall provide that demands for funds be honored upon not more than fourteen days' notice (or such other notice as set forth in the second following sentence) and be credited to the Trustee in immediately available

funds; (v) shall permit requests consistent with the Bond terms including all Bond payment dates and redemptions; (vi) shall clearly establish the basis for compounding or computation, and provide that all guaranteed interest accrue to the Bond payment date; (vii) shall provide that failure to meet surety, collateral or other provisions, if any, will result in acceleration of the agreement or assumption by an entity of Rating Quality; (viii) shall provide for written reports to the Trustee on no less than a monthly basis as to the amount held under the Investment Agreement and the interest earned thereon during the reporting period; and (ix) shall be terminable by the Trustee upon the written direction of the Corporation if necessary to preserve the tax-exempt status of the Bonds; provided, however, that in lieu of any and all the provisions of this definition, an Investment Agreement shall be of Rating Quality. In the event that any Investment Agreement is entered into and has a term greater than one year, the Corporation shall promptly notify the Rating Agencies of such entry, identifying the parties thereto. The Trustee shall provide the party entering into an Investment Agreement with the Corporation with written notice (x) at least one Business Day prior to the date of withdrawal of principal amounts under the Investment Agreement (i) to purchase Bonds which are subject to a tender or put provision and which have not been remarketed by the date of purchase pursuant to such tender or put provision or (ii) as necessary upon the receipt of written instructions from the Corporation to preserve the exclusion of interest on the Bonds from federal income taxation, and (y) not later than the day the Trustee is required to provide Bondholders with notice in connection with a partial redemption of the Bonds or conversion of the Bonds to a Fixed Rate.

“Investment Assumptions” means an annual rate of 2.5%; provided, however, that if, at the date of any Bond Coverage Certificate to be delivered investment earnings assumptions used by the Rating Agencies are higher than the assumed annual rate set forth in this definition (as evidenced in writing from each Rating Agency) or if actual investment earnings may be calculated for any period (including any period commencing in the future in the case of amounts which when received will be invested under an Investment Agreement) by reason of the existence of a rate assured by an Investment Agreement, then “Investment Assumptions” will mean the earnings at the earning assumptions used by the Rating Agencies or the earnings on the Investment Agreement (but only until the termination date of such Investment Agreement) as the case may be; provided, however, that “Investment Assumptions” may be modified by Supplemental Indenture if such modification will not adversely affect the Unenhanced Ratings then assigned to any Bonds by the Rating Agencies.

“Investment Securities” means and includes any of the following investments, if and to the extent the same are at the time legal investments by the Corporation of the funds to be invested therein:

(1) direct obligations of or obligations insured or guaranteed by the United States of America or agencies or instrumentalities of the United States;

(2) demand and time deposits with, negotiable certificates of deposit of, or banker’s acceptances issued by any bank or trust company the unsecured short-term obligations of which are rated A-1+ or equivalent by each Rating Agency and which is (i) incorporated or organized under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or (ii) a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or (iii) a foreign bank having a long-term issuer credit rating of at least AA+ or equivalent from each Rating Agency;

(3) repurchase obligations held by the Trustee or a third party acting as agent for the Trustee with a maturity date not in excess of 30 days with respect to (a) any security described in paragraph (1) above, or (b) any other security issued or guaranteed by an agency or instrumentality of the United States

of America, in either case entered into with the Trustee or any other bank or trust company (acting as principal) that meets the requirements for such entities as described in paragraph (2) above;

(4) securities (other than securities of the types described in the other paragraphs under this definition of “Investment Securities”) which at the time of such investment have ratings of AA+ or equivalent from each Rating Agency and which evidence a debt of any corporation incorporated or organized under the laws of the United States of America or any state thereof; provided, however, that such securities issued by any particular corporation will not be Investment Securities to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held under the Indenture to exceed 10% of the aggregate outstanding principal balances and amounts of all Acquired Obligations and Investment Securities held under the Indenture;

(5) commercial paper rated A-1+ or equivalent by each Rating Agency;

(6) an Investment Agreement;

(7) money market funds rated AA+m or equivalent by each Rating Agency;

(8) any other investment that is of Rating Quality and that is not unacceptable to the Trustee.

“Mortgage” means a mortgage deed, deed of trust or other instrument securing a Mortgage Loan.

“Mortgage Certificate and Loan Assumptions” means and includes the following assumptions, or any other set of assumptions that is of Rating Quality, to be used by the Corporation in preparing each Bond Coverage Certificate: (1) payment lags from the first day of the month in which the Acquired Obligations are funded to the receipt date of (a) 50 days for each GNMA I Certificate and each Gold FHLMC PC held in the Mortgage Loan Fund, (b) 60 days for each GNMA II Certificate held in the Mortgage Loan Fund, (c) 60 days for each FNMA MBS held in the Mortgage Loan Fund, and (d) 90 days for Mortgage Loans not represented by a Mortgage Certificate; (2) payment when due of applicable servicing and guarantee fees to GNMA, FNMA, and FHLMC; (3) use of money in the Mortgage Loan Fund which has not been expended for the purchase of Acquired Obligations to acquire Mortgage Loans that have not been converted to Mortgage Certificates; and (4) use of the money described in clause (3) hereof in the manner described in clause (3) hereof either on the last day of the acquisition period (if application of such money to such purpose prior to such last day would result in the receipt of Eligible Funds during such period in excess of the amount required to provide timely payment of the principal of and interest on the Bonds during such period) or, otherwise, on the date of calculation or as otherwise provided in the applicable Supplemental Indenture.

“Mortgage Loan” means a loan for construction, improvement, or acquisition of Residential Housing or to refinance such a loan or otherwise relating to Residential Housing and, in all events, secured by a Mortgage or an instrument backed by a pool of such loans and containing such repayment provisions as the Corporation may permit.

“Outstanding,” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Any Bonds canceled by the Corporation or the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust under the Indenture and set aside moneys or Investment Securities that are either direct obligations of the United States or of agencies or instrumentalities thereof that are

guaranteed by the United States, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited at the same time, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date (whether at or prior to the maturity or redemption date) and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds deemed to have been paid as described below in the second paragraph under “Defeasance.”

“Parity” means, in each case at all times from and after the date of calculation through the final maturity date of the Bonds, (i) for the purpose of withdrawing money from the Indenture for payment to the Corporation free and clear of the lien and pledge of the Indenture, an amount then held in Funds and Accounts under the Indenture (except the Unpledged Funds and the Special Reserve Fund) which, when added to the amount of all Collateral Mortgage Assets that the Corporation anticipates to be available for transfer to the Indenture from any Prior Indenture, is at least equal to 103% of Bonds then Outstanding; and (ii) for all other purposes, an amount then held in Funds and Accounts under the Indenture (except the Unpledged Funds and the Special Reserve Fund) which, when added to the amount of all Collateral Mortgage Assets that the Corporation anticipates to be available for transfer to the Indenture from any Prior Indenture, is at least equal to 100% of Bonds then Outstanding.

“Pass-Through Rate” means (A) with respect to an Acquired Obligation that is not included in a Pledged Mortgage Grouping and is not represented by a Mortgage Certificate, the stated interest rate thereof; (B) with respect to each Pledged Mortgage Grouping that includes any Acquired Obligation with a Pass-Through Rate (as determined in (A)) less than the Weighted Average Bond Rate, the lowest Pass-Through Rate of any Acquired Obligation in such Pledged Mortgage Grouping; (C) with respect to each Pledged Mortgage Grouping for which each Acquired Obligation has a Pass-Through Rate (as determined in (A)) at least equal to the Weighted Average Bond Rate, the weighted average of the Pass-Through Rates of the Acquired Obligations in the Pledged Mortgage Grouping; and (D) with respect to each Mortgage Certificate, that rate of interest, net of the servicing and guarantee fees payable to the guarantor, stated on such Mortgage Certificate the receipt of which is guaranteed to the holder of such Mortgage Certificate; provided, however, that, for purposes of any Bond Coverage Certificate if the interest rate stated on a Mortgage Certificate or other Acquired Obligation is greater than or equal to the Weighted Average Bond Rate as of the date of certification, such interest rate shall instead be assumed to be such Weighted Average Bond Rate and for all other Mortgage Certificates and Acquired Obligations, the Pass-Through Rate of each such Mortgage Certificate or other Acquired Obligation shall equal the average of the Pass-Through Rates (as defined apart from this proviso and subject to the further proviso in this sentence) of such other Mortgage Certificates and other Acquired Obligations (weighted to reflect the principal amounts of such Mortgage Certificates and other Acquired Obligations) purchased to date; and provided, further that for purposes of determining the Pass-Through Rate of a Mortgage Certificate or other Acquired Obligation and for all other purposes under the Indenture, amounts assumed, pursuant to a Certificate described in the following sentences, to be withdrawn from a Pass-Through Rate Supplement Account shall be treated and considered as interest earned or to be earned on the Mortgage Certificate or other Acquired Obligation for which such Pass-Through Rate Supplement Account was created. The Corporation shall deliver to the Trustee a Certificate setting forth amounts to be withdrawn on a monthly basis from each Pass-Through Rate Supplement Account. Such Certificate may provide for withdrawals of earnings, if such earnings are calculated, on amounts deposited in Pass-Through Rate Supplement

Accounts but must use the applicable Investment Assumptions to establish the amount of such earnings. The Corporation may prepare alternative Certificates from time to time for the purposes described in the preceding two sentences, but each such alternative Certificate must use the applicable Investment Assumptions to determine the amount of earnings, if such earnings are calculated, on amounts deposited in a Pass-Through Rate Supplement Account that are to be withdrawn each month from such Pass-Through Rate Supplement Account.

“Permitted Encumbrances” means liens, encumbrances, reservations and other imperfections of title as, in the judgment of the Corporation, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Corporation, have been taken to secure the interest of the Corporation.

“Pledged Mortgage Grouping” means a group of Mortgage Loans that are not represented by Mortgage Certificates and that are to be deposited with the Trustee into groupings based on the interest rates of the Mortgage Loans. The Acquired Obligations in a Pledged Mortgage Grouping may bear interest at a range of rates selected by the Corporation, and the Corporation may treat all Acquired Obligations bearing interest within such range as part of such Pledged Mortgage Grouping for purposes of any Bond Coverage Certificate. In calculating Bond Coverage, the Corporation shall assume that all Acquired Obligations have maturities equal to the maturity of the Acquired Obligation in such Pledged Mortgage Grouping having the latest maturity date at the time of such calculation and a Pass-Through Rate equal to the Pass-Through Rate for the Pledged Mortgage Grouping.

“Pledged Receipts” means all payments (including prepayments) of principal and interest called for by any Acquired Obligation (other than payments with respect to Acquired Obligations in the Special Reserve Fund) and paid to the Corporation from any source, including both timely and delinquent payments with late charges, fees and charges and all other revenues and income paid to the Corporation on account of or in connection with any Acquired Obligation and, upon receipt thereof by the Corporation, all interest earned or gain realized upon the investment or deposit of amounts in any Fund or Account, but shall not include (i) any amount retained by any Servicer of any Acquired Obligation (other than the Corporation) as compensation for services rendered, (ii) Escrow Payments and any payments of ground rents, taxes, assessments or mortgage, fire or other hazard insurance premiums called for by any Acquired Obligation or any like payments, (iii) all payments on any amounts in the Special Reserve Fund or (iv) interest earned or gains realized on investments which the Indenture requires to be retained in a particular Fund or Account.

“Prior Indenture” means any indenture (other than the Indenture or any Supplemental Indenture) or resolution securing an issue of the Corporation’s bonds.

“Program” means the Corporation’s program of financing mortgage loans and otherwise providing for Residential Housing in the State pursuant to the Act through the issuance of its Bonds.

“Program Expenses” means all the Corporation’s expenses in carrying out and administering the Program and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, consulting and banking services and expenses, the fees and expenses of the Trustee, any Credit Enhancement Agency, any Liquidity Facility Provider, the Depositories and the Paying Agents, Costs of Issuance not paid from proceeds of Bonds, and payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program.

“Rating Agencies” means any national securities rating service requested by the Corporation to rate the Bonds and which, at the time of consideration, provides a published rating for the Bonds.

“Rating Quality” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “Rating Quality” will not, as confirmed in writing received by the Trustee from each of the Rating Agencies, impair the ability of the Corporation to obtain the ratings initially from the Rating Agencies anticipated to be received with respect to such Bonds as described in the Supplemental Indenture authorizing such Bonds and, if the Bonds have been rated, will not cause any such Rating Agency to lower or withdraw the rating it has assigned to the Bonds.

“Residential Housing” means dwelling accommodations without limitation as to form of lawful occupancy, whether rental, under contract, fee ownership, cooperative housing, condominium or other lawful forms of ownership, including such other non-housing facilities as may be incidental or appurtenant thereto, and may include housing for such other purposes as the Corporation considers appropriate and as may be within the power of the Corporation to finance.

“Scheduled Payments,” as set forth in a Bond Coverage Certificate, means the scheduled payments (assuming no prepayments) of principal of and interest (at the Pass-Through Rate) on the Acquired Obligations then held under the Indenture or assumed to be held under the Indenture for purposes of such Bond Coverage Certificate.

“Unenhanced Rating” means with respect to any particular Bonds, the long-term credit rating assigned to such Bonds by each Rating Agency for such Bonds without regard to any bond insurance or other form of credit enhancement that may then exist with respect to such Bonds.

“Unpledged Funds” means the Rebate Fund and any Account within either a Credit Enhancement Fund or a Liquidity Fund that is used exclusively to reimburse the Credit Enhancer or Liquidity Facility Provider for amounts advanced or expended by such Credit Enhancer or Liquidity Facility Provider pursuant to the terms of the Credit Enhancement or Liquidity Facility.

“Weighted Average Bond Rate” means, for purposes of determining the Pass-Through Rate of any Acquired Obligation, the weighted average interest rate of all Outstanding Bonds using, for purposes of such Bonds that bear interest at a variable rate, the weighted average interest rate of such Bonds to calculate the Weighted Average Bond Rate.

Indenture to Constitute Contract (Section 202)

In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Indenture shall be a part of the contract of the Corporation with the holders of Bonds and shall be deemed to be and shall constitute a contract between the Corporation, the Trustee and the holders from time to time of the Bonds. The pledge of the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Corporation shall be for the equal benefit, protection and security of the holders of any and all of such Bonds, each of which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Indenture.

Provisions for Issuance of Bonds (Sections 204 and 206)

The Indenture authorizes Bonds to be issued from time to time without limitation as to amount except as provided in the Indenture or as may be limited by law, subject to the terms, conditions and

limitations established by the Indenture. The Bonds of a Series are to be executed by the Corporation and delivered to the Trustee for authentication and then delivered to the Corporation only upon receipt by the Trustee of:

- (i) a Counsel's Opinion to the effect, among other things, that the Bonds of such Series have been duly and validly authorized and issued in accordance with the constitution and statutes of the State, including the Act as amended to the date of such Opinion, and in accordance with the Indenture;
- (ii) a written order as to authentication and delivery of such Bonds, signed by an Authorized Officer;
- (iii) an executed original of the Supplemental Indenture authorizing such Series;
- (iv) the amount of the proceeds of such Series to be deposited in any Fund or Account held by the Trustee pursuant to the Indenture;
- (v) a Certificate of an Authorized Officer stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;
- (vi) a Bond Coverage Certificate;
- (vii) written verification from the Rating Agencies that the issuance of such Series of Bonds will not, in and of itself, cause a withdrawal or reduction in the rating assigned by the Rating Agencies to any Outstanding Bonds of any prior Series;
- (viii) if such Series of Bonds is to have the benefit of a Liquidity Facility or be secured by Credit Enhancement, the executed Liquidity Facility or Credit Enhancement or evidence that all conditions precedent to the issuance of such Liquidity Facility or Credit Enhancement have been met as of the date of issuance of such Series of Bonds; and
- (ix) such further documents and moneys as are required by the provisions of the Indenture or any Supplemental Indenture.

Provisions for Refunding Issues (Section 207)

One or more Series of Refunding Bonds may be issued pursuant to the Indenture to refund any Outstanding Bonds. Refunding Bonds may be issued only upon receipt by the Trustee of (1) the documents and money referred to in clauses (i) - (ix) under "Provisions for Issuance of Bonds" above; (2) irrevocable instructions to the Trustee to give notice of the redemption of all Bonds to be refunded on a redemption date specified in such instructions; and (3) either (i) moneys sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with interest accrued to the redemption date or (ii) Investment Securities, that are either direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States, which will provide moneys sufficient to provide for the payment of such Redemption Price and accrued interest.

Application of Bond Proceeds and Other Amounts (Sections 401 and 402)

As soon as practicable upon the delivery of each Series of Bonds, other than Refunding Bonds, the amount necessary to meet the Debt Service Reserve Fund Requirement is required to be deposited in

the Debt Service Reserve Fund and the amount, if any, required by the Supplemental Indenture authorizing such Series to be deposited in the Interest Account shall be deposited therein. Proceeds of such Series of Bonds which are not to be deposited in the Debt Service Reserve Fund or in the Interest Account applicable to such bonds or otherwise deposited as provided in such Supplemental Indenture are to be deposited in the Mortgage Loan Account, or otherwise to the Mortgage Loan Fund.

No amount in the Mortgage Loan Fund shall be applied to the financing of a Mortgage Loan, unless the Mortgage securing such Mortgage Loan has been executed and recorded in accordance with existing laws. Each Mortgage Loan shall constitute a valid lien, subject only to Permitted Encumbrances, on real estate in fee simple or on a leasehold having a remaining term, at the time such Mortgage is acquired, which does not expire for such number of years as the Corporation shall determine to be appropriate to secure the Corporation's interest in the premises and be a Mortgage Loan for Residential Housing.

Establishment of Funds and Accounts (Section 502)

The Indenture establishes the following Funds and Accounts which are to be held by the Trustee:

- (i) Mortgage Loan Fund;
 - (a) Mortgage Loan Account or Accounts;
 - (b) Pass-Through Rate Supplement Accounts;
 - (c) Collateral Mortgage Asset Account;
- (ii) Revenue Fund;
- (iii) Debt Service Fund;
 - (a) Interest Account;
 - (b) Principal Account;
- (iv) Redemption Fund;
 - (a) General Redemption Account;
 - (b) Special Redemption Accounts;
- (v) Debt Service Reserve Fund;
- (vi) Rebate Fund;
 - (a) Rebate Accounts; and
- (vii) Special Reserve Fund.

Mortgage Loan Fund (Section 503)

Except to the extent applied to the redemption of Bonds, amounts in the Mortgage Loan Fund shall be expended only (i) to redeem bonds of the Corporation or to reimburse the Corporation for such redemption or to pay the cost of financing Acquired Obligations (the acquisition of which requires compliance with Bond Coverage requirements), (ii) to fund the Pass-Through Rate Supplement Account, (iii) to pay reasonable and necessary Costs of Issuance, (iv) to make deposits into the Principal Account, or (v) to pay the principal or Redemption Price, if any, of and the interest on the Bonds when due. At the direction of the Corporation the Trustee may transfer amounts in any Mortgage Loan Fund to the Redemption Fund or apply such amounts directly to the redemption, purchase or retirement of Bonds at any time that such Bonds shall be subject to redemption or payment from such amounts.

Revenue Fund (Section 504)

All Pledged Receipts are to be deposited promptly with a Depositary and transmitted to the Trustee at least monthly for deposit in the Revenue Fund. Not later than the last day of each month, the Trustee is required to make payments from the Revenue Fund as follows:

FIRST: To the Rebate Fund, the amount required to be transferred therein pursuant to the terms of the Indenture.

SECOND: To the Interest Account, the amount necessary to increase the amount in such Account so that it equals unpaid interest on the Outstanding Bonds (other than Deferred Interest Bonds) accrued and to accrue to the last day of the then current month.

THIRD: To the Principal Account, the Accrued Principal Installment Amount for such month.

FOURTH: To the Debt Service Reserve Fund, the amount, if any, necessary to cause the amount in such Fund to equal the Debt Service Reserve Fund Requirement.

FIFTH: To the Corporation for the payment of Program Expenses or the establishment of reserves therefor, the amount needed and required prior to the tenth day of the next succeeding month, to pay reasonable and necessary Program Expenses in accordance with the Annual Budget (or upon the written direction of the Corporation until adoption of such Annual Budget).

SIXTH: To the Special Reserve Fund, the amount, if any, necessary to cause the amount in such Fund to equal the Special Reserve Requirement.

SEVENTH: To the Redemption Fund as directed in writing by the Corporation or as required in the Indenture or in any Supplemental Indenture authorizing the issuance of a Series of Bonds (see "The Offered Bonds — Redemption — Special Redemption").

Immediately prior to the making of the payments described above, in each month the Trustee shall, to the extent required by the most recent Bond Coverage Certificate filed with the Trustee, deposit in the Debt Service Fund the amount so required from any Fund or Account identified by the Corporation (other than any Unpledged Fund) or from Eligible Funds delivered to the Trustee by the Corporation.

The Trustee is authorized (i) to permit the withdrawal by the Corporation, immediately following the payments required above, of any amount remaining in the Revenue Fund free and clear of any lien or pledge created by or pursuant to the Indenture, for any lawful purpose of the Corporation consistent with the provisions set forth in the Indenture, but only upon receipt from the Corporation of a Certificate stating that no Event of Default exists under the Indenture, (ii) to transfer such amount to the Mortgage Loan Fund, to be used for the purposes of the Mortgage Loan Fund as described above, or (iii) to transfer such amount to the Redemption Fund for redemption of Bonds as may be permitted by the applicable supplemental indenture. A transfer as described in clause (ii) for the purpose of acquiring an Acquired Obligation or a transfer as described in clause (i) requires delivery to the Trustee of a Bond Coverage Certificate.

Debt Service Fund (Section 505)

The Trustee is directed to pay from the Interest Account (i) on or before each Interest Payment Date, the amounts required for the payment of interest due on the Outstanding Bonds on such date, (ii) on or before the redemption date or date of purchase, the amounts required for the payment of accrued

interest on Bonds redeemed or purchased for retirement, and (iii) on any date on which Bonds are subject to mandatory tender for purchase by the Corporation pursuant to a Supplemental Indenture and other funds are unavailable to pay the interest portion of the purchase price therefor the amounts required to pay such interest portion. In each such case, such amounts shall be applied to such payments or to the reimbursement of any Credit Enhancer for any such payments made by such Credit Enhancer. The Trustee is further directed to pay from the Principal Account on or before each Principal Installment Date the amount, if any, required for the payment of principal of the Bonds due on such date, and such amounts shall be applied to such payments or to reimbursement of the Credit Enhancer, if any, for any such payments made by the Credit Enhancer. In addition, the amount accumulated in the Principal Account for a Sinking Fund Payment (if any) may and, if directed by the Corporation, is required to be applied by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Payment to the purchase or redemption of Bonds of the Series and maturity for which such Sinking Fund Payment was established at prices not exceeding the Redemption Price which would be payable for such Bonds upon redemption by application of such Sinking Fund Payments plus unpaid interest accrued to the date of purchase. Upon any such purchase or redemption there will be credited toward such Sinking Fund Payment the principal amount of such Bonds so purchased or redeemed. If the amount so credited exceeds the amount of such Sinking Fund Payment, there will be credited toward each other Sinking Fund Payment thereafter to become due on Bonds of the same Series and maturity an amount bearing the same ratio to such other Sinking Fund Payment as such excess bears to the total amount of all such other Sinking Fund Payments to be credited. If, however, there are filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Payments with any such excess or if the Supplemental Indenture authorizing the issuance of such Bonds specifies such different method, then such Sinking Fund Payments will be credited as provided in such instructions or in such Supplemental Indenture.

As soon as practicable after the forty-fifth day preceding the due date of any Sinking Fund Payment, the Trustee is to proceed to call for redemption on such due date, Bonds of the Series and maturity for which such Sinking Fund Payment was established in a principal amount equal to the amount of such Sinking Fund Payment reduced by crediting thereto the principal amount of Bonds purchased or redeemed as described above. The Trustee is required to call such Bonds for redemption whether or not it then has moneys in the Principal Account sufficient to pay the applicable Redemption Price on the Redemption Date.

Redemption Fund (Section 506)

There are to be deposited in the General Redemption Account and in the Special Redemption Accounts any amounts required to be deposited therein by the Indenture or any Supplemental Indenture and any other amounts available therefor and determined by the Corporation to be deposited therein. Subject to the provisions of the Indenture or of any Supplemental Indenture requiring the application thereof to the purchase or redemption of any particular Bonds, the Trustee is required to apply the amounts deposited in any Special Redemption Account to the purchase or redemption (or to the reimbursement of the Credit Enhancer, if any, for payment of such purchase or redemption by such Credit Enhancer) of any of the Bonds of the Series with respect to which such Account was created at the time and in the manner provided in the Indenture and Supplemental Indenture authorizing the issuance of such Bonds and amounts in the General Redemption Account are to be applied to the purchase or redemption of Bonds at the option of the Corporation. Prior to the forty-fifth day upon which Bonds are to be redeemed from such amounts, the Trustee may apply amounts in any Account within the General Redemption Account or any Special Redemption Account to the purchase of any such Bonds, except that the Corporation may require or prohibit such purchases. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased may not exceed the principal amount of such Bond unless such Bond may be redeemed in accordance with the

Indenture and the Supplemental Indenture authorizing the issuance of such Bond on any date within thirteen months after such purchase in which event such purchase price may not exceed the highest Redemption Price payable on any due date upon the redemption of such Bond. In the event the Trustee is able to purchase a principal amount of Bonds equivalent to the sum of the deposits to any Account in the Redemption Fund at a purchase price less than the sum of such deposits to such Account, excluding the applicable transfers from the Interest Account, upon the payment by the Trustee of the purchase price of such Bonds, the Trustee will transfer the balance of moneys remaining in such Account to, and deposit the same in, the Revenue Fund.

Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in any Special Redemption Account, there will be credited toward each such Sinking Fund Payment thereafter to become due an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Payments to be credited. If, however, there are filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Payments upon any such purchase or redemption of Bonds or if the Supplemental Indenture authorizing the issuance of such Bonds specifies such different method, then such Sinking Fund Payments will be credited as provided in such instructions or in such Supplemental Indenture. Upon the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Payments have been established from amounts in the General Redemption Account, the principal amount of the Bonds so purchased or redeemed will be credited against such future Sinking Fund Payment in such manner as the Corporation may direct.

On or before the redemption date, the Trustee is required to pay from the applicable Account within the Redemption Fund the amounts required for the payment of the Redemption Price on any Bonds to be redeemed. When none of the Bonds of the Series relating thereto remain Outstanding, a Special Redemption Account will be closed and the amounts therein will be withdrawn and deposited in the Revenue Fund. Except for amounts required to be retained therein for the redemption of Bonds for which notice of redemption has been given or for which the Trustee has received irrevocable instructions to give such notice on a future date, amounts in any Account in the Redemption Fund may be transferred to the Principal Account at the written request of an Authorized Officer of the Corporation.

Debt Service Reserve Fund (Section 507)

If two Business Days prior to any Principal Installment Date or Interest Payment Date the amounts on deposit in the Principal Account or the Interest Account are less than the amounts required for the payments due on such date, the Trustee is required to apply amounts from the Debt Service Reserve Fund to the extent required to make good the deficiency. If on any Redemption Date (or any date for the purchase of Bonds under the Indenture), the amounts on deposit in the Redemption Fund and the Interest Account are less than the amount required for the payment of the Redemption Price (or purchase price) and interest accrued on such Bonds to be redeemed (or purchased) on such date the Trustee is required to apply amounts from the Debt Service Reserve Fund to the extent necessary to make good the deficiency.

If a deficiency described in the preceding paragraph remains after application of amounts from the Debt Service Reserve Fund as described in the preceding paragraph, or if at any time the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Corporation of such deficiency and the Corporation is to immediately transfer to the Debt Service Reserve Fund the funds necessary to eliminate such deficiency and if the Corporation fails to do so promptly, the Trustee will transfer to the Debt Service Reserve Fund such funds available from any Fund or Account established under the Indenture (except for Unpledged Funds), provided that the Mortgage Loan Fund will be drawn upon last and then first from the Collateral Mortgage Asset

Account and thereafter on a pro rata basis among the funds available in the Mortgage Loan Fund unless a different allocation is required for Federal tax reasons.

Amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement will, at the direction of the Corporation, be transferred to the Revenue Fund.

Rebate Fund (Section 508)

The Trustee will establish and create a Rebate Fund. Such Fund will be for the purpose of ultimate payment to the United States of any amounts that may be required thereto with respect to the Bonds.

Creation of Additional Accounts and Subaccounts (Section 509)

The Corporation may at any time by adoption of a Supplemental Indenture establish a Fund or Account to facilitate the operation of a Liquidity Facility or Credit Enhancement. Amounts in such Funds or Accounts will not be considered part of the Trust Estate but rather, will be subject to such lien and pledge as may be created in a Supplemental Indenture authorizing such Credit Enhancement or Liquidity Facility pledged as security for the Bonds under the Indenture.

Deposits and Investments (Sections 510 and 512)

All amounts held by any Fiduciary or Depositary under the Indenture will be invested in Investment Securities. Amounts in the Debt Service Reserve Fund may only be in investments described in clauses (1), (2), (3) or (6) of the definition of Investment Securities under “Certain Definitions” above, and any such investment (unless in an Investment Agreement) must mature no later than six months after its purchase. Unless otherwise provided, obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the Indenture shall be deemed at all times to be a part of such Fund or Account but the income or interest earned and gains realized in excess of losses suffered by a Fund or Account, other than the Special Reserve Fund, due to the investment thereof shall be deposited as Pledged Receipts into the Revenue Fund. In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein will be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation shall be made on the tenth day prior to each Interest Payment Date, and except in the case of the Debt Service Reserve Fund, on any particular date will not include the amount of interest then earned or accrued to such date on any such moneys or investment. No investment may be sold for less than (i) in the case of an investment purchased at par value, its par value or (ii) in the case of an investment purchased at other than par value, its amortized value, unless, in each case, (x) such sale is reflected in the most recent Bond Coverage Certificate or (y) such sale is necessary to provide amounts to pay principal of or interest on Bonds of any Series when and as due.

Special Reserve Fund (Section 513)[†]

The Trustee and the Corporation shall make deposits into, and withdrawals and disbursements from the Special Reserve Fund in accordance with the provisions of the Indenture and the Supplemental Indentures authorizing the Bonds.

[†] No amounts will be deposited in the Special Reserve Fund in connection with the issuance of the Offered Bonds.

Amounts in the Special Reserve Fund, if any, are available to pay interest on, principal of or sinking fund installments on, or the Redemption Price of, Outstanding Bonds and to restore the amount in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement as described above under “Debt Service Reserve Fund.” Amounts in the Special Reserve Fund in excess of the Special Reserve Requirement will, at the direction of the Corporation, be transferred to the Revenue Fund.

Power to Issue Bonds and Pledge Revenues, Funds and Other Property (Section 705)

The Corporation is duly authorized under all applicable laws to adopt the Indenture. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Acquired Obligations, Pledged Receipts, and other assets and revenues, including rights therein pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all persons whomsoever.

Payment of Bonds (Section 701)

The Corporation has covenanted to duly and punctually pay principal or redemption price of and interest on Bonds. The Corporation has covenanted that it will take such action as may be necessary to cause available Collateral Mortgage Assets that are available for transfer to be transferred from their Prior Indentures to the Mortgage Loan Fund maintained under the Indenture, in accordance with any Bond Coverage Certificates delivered to the Trustee in connection with the issuance of a Series of Bonds.

Tax Covenants (Section 706) (Article III of 2024 Series A Supplemental Indenture and 2024 Series B Supplemental Indenture)

With respect to Bonds intended to bear interest that is excludible from gross income for federal income tax purposes, the Corporation covenants to (i) meet all applicable requirements of the Internal Revenue Code of 1954, as amended, and the Code, (ii) not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to acquire any securities or obligations, the acquisitions of which would cause any Bond to be an “arbitrage bond” and (iii) take all action necessary to assure that interest on such Bonds (including the Offered Bonds) shall be excludable from gross income for purposes of federal income taxation. The Corporation covenants that it shall require that no person or “related person” shall purchase Bonds in an amount related to the Acquired Obligations to be acquired by the Corporation from such person or “related person.”

Accounts and Reports (Section 707)

The Corporation covenants that it will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the Program for which Bonds are issued and Outstanding and all Funds and Accounts established by the Indenture which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than 25% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

The Corporation must annually, within 120 days after the close of each Fiscal Year, file with the Trustee, and with such officials of the State, if any, as may be required by the Act, (i) a copy of an annual report for such Fiscal Year, setting forth its operations and accomplishments during such Fiscal Year and (ii) financial statements of the Corporation for such Fiscal Year setting forth in reasonable detail: (a) a statement of revenues and expenses in accordance with the categories or classifications established by the Corporation for the Program, (b) a balance sheet for the Program showing its assets and liabilities at the

end of such Fiscal Year and (c) a statement of changes in financial position for the Program for such Fiscal Year. The financial statements for the Program may be combined with financial statements for other programs and purposes of the Corporation so long as the said financial statements for such programs are separately identified. The financial statements will be accompanied by the report of an Accountant stating that the financial statements examined present fairly the financial position of the Corporation at the end of the Fiscal Year, the results of its operations and changes in financial position for the period examined, in conformity with accounting principles generally accepted in the United States of America. A copy of each such annual report and Accountant's report will be mailed promptly thereafter by the Corporation to each Bondholder who has filed his name and address with the Corporation for such purpose.

Budgets (Section 708)

The Corporation may prepare a preliminary budget covering its fiscal operations for the Program for the succeeding Fiscal Year at least 60 days prior to the first day of such Fiscal Year and shall deliver a summary of such budget to any Bondholder whose name and address shall have been filed with the Corporation for such purpose. The Corporation will hold a public hearing on the preliminary budget if requested by the holders of 10% or more of the Outstanding Bonds in the manner provided by the terms of the Indenture.

The Corporation will adopt an Annual Budget for the Program covering its fiscal operations for the succeeding Fiscal Year and file the same with such officials of the State as may be required by the Act, as then amended. The Annual Budget will at least set forth for such Fiscal Year the estimated Pledged Receipts due and payable or estimated to become due and payable during such Fiscal Year. Copies of the Annual Budget and any amended Annual Budget will be made available by the Corporation for inspection by any Bondholder.

Corporation's Programs (Section 709)

The Corporation from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, will (i) use and apply the proceeds of the Bonds to the extent not reasonably or otherwise required for other purposes of the Program, to finance Acquired Obligations pursuant to the Act and the Indenture, (ii) do all such acts and things necessary to receive and collect Pledged Receipts sufficient to pay Program Expenses and principal or Redemption Price, if any, of and interest on the Bonds and (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to maintain any insurance on Acquired Obligations and to enforce all terms, covenants and conditions of Acquired Obligations.

The Corporation covenants not to sell or assign an Acquired Obligation, other than for the purpose of realizing the benefits of mortgage insurance with respect thereto, unless the payments received in respect thereof are deposited in the appropriate Mortgage Loan Account, if any, or otherwise in the Mortgage Loan Fund and (i) the Corporation provides the Trustee with a Bond Coverage Certificate after giving effect to such sale or assignment or (ii) the Trustee receives a written request from the owners of 100% of the Bonds then Outstanding to sell or assign such Acquired Obligation. Subject to such provisions, the Corporation may sell or assign any Acquired Obligation, and the Mortgage Loan so sold or assigned will be released from the lien of the pledge of the Indenture.

Supplemental Indentures Effective Upon Filing with the Trustee (Section 801)

For any one or more of the following purposes, a Supplemental Indenture of the Corporation may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Corporation, shall be fully effective in accordance with its terms:

1. to close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;
2. to add other covenants and agreements to be observed by the Corporation which are not contrary to or inconsistent with the Indenture;
3. to add other limitations and restrictions to be observed by the Corporation which are not contrary to or inconsistent with the Indenture;
4. to surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms of the Indenture, but only if the surrender of such right, power, or privilege is not contrary to or inconsistent with the Indenture;
5. to authorize Bonds of a Series;
6. to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture or the Trust Estate;
7. to modify any of the provisions of the Indenture provided that (i) such modification shall be effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefore or in place thereof;
8. to make such additions, deletions, or modifications as may be necessary to assure compliance with Section 148(d)(3) of the Code or Section 148(f) of the Code or to obtain a satisfactory rating on a Series of Bonds from a Rating Agency, provided that no such additions, deletions, or modifications intended to obtain a satisfactory rating shall cause a reduction in any ratings assigned by a Rating Agency to Bonds then Outstanding; and
9. to make any other change in the Indenture, including any change otherwise requiring the consent of Bondholders, if such change affects only Bonds which are subject to mandatory tender for purchase and if such change is effective as of a date for such mandatory tender.

Supplemental Indentures Effective Upon Consent of Trustee (Section 802)

For any one or more of the following purposes, a Supplemental Indenture may be adopted, which, upon (i) the filing with the Trustee of an executed original thereof, and (ii) the filing with the Trustee and the Corporation of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

1. to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or
2. to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; or
3. to provide for additional duties of the Trustee in connection with the Acquired Obligations; or
4. to make any other changes not materially adverse to the interests of the Bondholders.

Any such Supplemental Indenture may also contain one or more of the purposes specified in the preceding section, and in that event, the consent of the Trustee required by this section shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth above.

Powers of Amendment (Section 902)

Any modification or amendment of any provision of the Indenture or of the rights and obligations of the Corporation and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the holders of at least two-thirds in principal amount of the Outstanding Bonds, (ii) in case less than all of the several Series of Bonds would be affected by such modification or amendment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of each Series so affected and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds is not required. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond or reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment. A Series of Bonds will be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series.

Events of Default (Section 1002)

Each of the following events is an “Event of Default”: (a) the Corporation defaults in the payment of the principal (including Sinking Fund Payments) or Redemption Price, if any, of any Bond within two Business Days after the same becomes due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within two Business Days after the same becomes due; (c) the Corporation fails or refuses to comply with the provisions of the Indenture, or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein, or in any Supplemental Indenture or the Bonds, and such failure, refusal or default continues for a period of 45 days after written notice thereof by the Trustee or the holders of not less than 25% in principal amount of the Outstanding Bonds; or (d) any event designated an Event of Default by a Supplemental Indenture shall have occurred and remain uncured.

Remedies (Section 1003)

Upon the happening and continuance of any Event of Default specified in clauses (a) and (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified in clauses (c) and (d) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, will proceed, in its own name, subject to the Indenture, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Corporation to receive and collect revenues and assets, including Pledged Receipts adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity to require the Corporation to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; (e) by declaring all Bonds due and payable, and if all defaults are made good, then, with the written consent of the holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences, provided, however, that the Trustee may not make any such declaration with respect to an Event of Default under (c) of the preceding paragraph unless the Trustee has received a written request to do so from 100% of the holders of all Outstanding Bonds or there are sufficient moneys available in the funds and accounts to pay the principal and interest on the Bonds upon such declaration; or (f) in the event that all Bonds are declared due and payable, by selling Acquired Obligations.

Priority of Payments After Default (Section 1004)

In the event that upon, the happening and continuance of any Event of Default, the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal or Redemption Price, if any, of and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and the Indenture, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the holders of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture, shall be applied as follows:

1. unless the principal of all of the Bonds shall have become or have been declared due and payable:

(a) to the payment to the persons entitled thereto of all installments of interest then due and payable in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

(b) to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

2. if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever moneys are to be applied by the Trustee pursuant to the Indenture, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon which such interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the holder of any unpaid Bonds unless such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Bondholders' Direction of Proceedings (Section 1006)

The holders of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders (Section 1007)

No holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law, or for the protection or enforcement of any right under the Indenture or any right under law unless such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers therein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are thereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under the Indenture or for any other remedy under the Indenture or under law. It is understood and intended that no one or more holders of the Bonds thereby secured shall have any right in any manner whatever by his or

their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder or under law with respect to the Bonds or the Indenture, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all holders of the Outstanding Bonds. Nothing in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal or Redemption Price, if any, of and interest on his Bonds, or the obligation of the Corporation to pay the principal or Redemption Price, if any, of and interest on each Bond issued under the Indenture to the holder thereof at the time and place stated in said Bond.

Notwithstanding anything to the contrary, or any other provision of the Indenture, each holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Trustee (Sections 1105, 1108 and 1109)

The Corporation may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Corporation. Any successor to the Trustee is required to be a trust company or bank having the powers of a trust company having capital and surplus aggregating at least \$25,000,000. The Corporation is required to pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under the Indenture.

Defeasance (Section 1201)

If the Corporation pays or causes to be paid, to the holders of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by Fiduciaries (through deposit by the Corporation of funds for such payment or redemption or otherwise) will, at the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect so expressed in the preceding paragraph if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation has given to the Trustee, in form satisfactory to it, irrevocable instructions to mail by first class-mail, as provided in the Indenture, notice of redemption on said date of such Bonds, (ii) there have been deposited with the Trustee either moneys in an amount which is sufficient, or obligations of the United States of America or of agencies or

instrumentalities thereof guaranteed by the United States of America the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, are sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Corporation will have given the Trustee in form satisfactory to it irrevocable instructions to publish or mail by first-class mail, as soon as practicable, a notice to the holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of said Bonds. Neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section, nor principal or interest payments on any such Investment Securities, will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds, provided any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

TAX MATTERS

Tax-Exempt Bonds

Opinion of Bond Counsel

In the opinion of Bond Counsel, to be delivered on the date of issuance of the Tax-Exempt Bonds, assuming compliance with certain covenants which are designed to meet the requirements of the Code, under existing laws, regulations, rulings and judicial decisions, interest on the Tax-Exempt Bonds (i) is *excludable* from gross income for federal income tax purposes and (ii) is *not* a specific preference item for purposes of the alternative minimum tax imposed on individuals. Interest on the Tax-Exempt Bonds may affect the federal alternative minimum tax imposed on certain corporations.

In the opinion of Bond Counsel, interest on the Tax-Exempt Bonds is free from taxation by the State under existing law (*except* that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

General

The requirements of applicable federal tax law must be satisfied with respect to both the 2024 Series A Bonds and the 2024 Series B Bonds in order that interest on either Series of the Tax-Exempt Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof. The Code provides that interest on obligations of a governmental unit such as the Corporation issued to finance, or to refund bonds issued to finance, single family residences for first time homebuyers (such as the 2024 Series A Bonds) is not included in gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations and the use of the funds generated by the issuance of the obligations, the nature of the residences and the mortgages, and the eligibility of the borrowers executing the mortgages. Such requirements generally do not apply to the mortgage loans financed by the 2024 Series B Bonds as a result of transition rules in various federal tax laws adopted since 1980.

Loan Eligibility Requirements Imposed by the Code

The Code contains the following loan eligibility requirements that are applicable to Mortgage Loans financed with proceeds attributable to the 2024 Series A Bonds in order that interest on the Tax-Exempt Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof.

Residence Requirement. The Code requires that each of the premises financed with proceeds of qualified mortgage bonds be a one-to-four-family residence, one unit of which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. In the case of a two-to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the residence must have been occupied as a residence at least five years before the mortgage is executed. Certain documents adopted by the Corporation that establish procedures to be followed in connection with the financing of Mortgage Loans with amounts attributable to the 2024 Series A Bonds in order to assure that interest paid on the Tax-Exempt Bonds not be included in gross income for federal income tax purposes under the Code (the “Program Documents”) require each mortgagor to submit an affidavit stating such person’s intention to occupy the premises as his principal residence within 60 days after closing of the Mortgage Loan. In the case of a two-to-four-family residence (other than two-family residences in targeted areas having borrowers whose family income does not exceed 140% of applicable family median income), the mortgagor is required by the Program Documents to certify that the residence was first occupied as a residence at least five years before the Mortgage Loan was executed.

First-Time Homebuyer Requirement. The Code requires that, subject to certain exceptions, at least 95% of the lendable proceeds of qualified mortgage bonds be used to provide financing to mortgagors who have not had a present ownership interest in their principal residence (other than the residence being financed) during the three-year period prior to execution of the mortgage loan. Mortgagors subject to this requirement must so certify when applying to a Mortgage Lender for a Mortgage Loan, and the Program Documents require that the Mortgage Lender make a reasonable investigation to verify such certification. Mortgagors subject to this requirement are required to provide federal income tax returns for the previous three years or other appropriate certifications to allow the Mortgage Lender to verify that no deductions or other entries have been made that would indicate any such ownership interest.

New Mortgage Requirement. The Code requires that, with certain limited exceptions, the lendable proceeds of qualified mortgage bonds finance new mortgage loans only and that no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan. The Corporation will verify compliance with the new mortgage requirement by requiring each mortgagor and the seller of the residence to certify, subject to such exceptions, that no refinancing of a prior mortgage loan is being effected.

Purchase Price Limitation. The Code requires that, with certain limited exceptions, the purchase price of the residence financed with the lendable proceeds of qualified mortgage bonds may not exceed 90% of the average area purchase price applicable to such residence or 110% of the applicable average area purchase price in the case of residences located in targeted areas. The Corporation will verify compliance with the purchase price limitations by requiring each mortgagor and seller of a residence to make certifications regarding the purchase price of such residence.

Income Limitation. The Code requires that all mortgage loans made from the lendable proceeds of qualified mortgage bonds be made only to borrowers whose family income does not exceed 115% (for mortgage loans made to families with fewer than three members, 100%) of the applicable median family

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

Applicable federal tax law permits higher income limits for persons financing homes located in certain “high housing cost areas.”

The Corporation will verify compliance with the requirements described under this caption “Tax Matters — Tax-Exempt Bonds — Loan Eligibility Requirements Imposed by the Code — Income Limitation” by requiring each borrower to certify the amount of family income. Family income includes income of all individuals executing both the note and mortgage and occupying the dwelling as their principal residence.

Requirements as to Assumptions. The Code provides that a mortgage loan may be assumed only if each of the then applicable residence requirement, first-time homebuyer requirement, purchase price limitation, and income limitation is met with respect to such assumption. The Mortgage Loans will contain a “due on sale” clause, and the Corporation will not permit the assumption of a Mortgage Loan unless (i) it has determined that these requirements have been met and has obtained the appropriate certifications or (ii) it purchases the Mortgage Loan out from the lien of the Indenture and finances it from other sources.

General. An issue of bonds is treated as meeting the loan eligibility requirements of the Code if (i) the issuer in good faith attempted to meet all the loan eligibility requirements before the mortgage loans were executed, (ii) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the proceeds of the issue used to make mortgage loans was used to finance residences that met all such requirements at the time the mortgage loans were executed. In determining whether 95% or more of the proceeds has been so used, the Code permits the Corporation to rely on an affidavit of the mortgagor and of the seller and an examination of copies of the mortgagor’s federal income tax returns for the last three years preceding the date the Mortgage Loan is executed even though the relevant information in such affidavits and income tax returns should ultimately prove to be untrue, unless the Corporation or the Mortgage Lender knows or has reason to believe that such information is false.

Other Requirements Imposed by the Code

General. The Code provides that gross income for federal income tax purposes does not include interest on a mortgage revenue bond if it is a qualified mortgage bond. A qualified mortgage bond is a part of an issue of a state or political subdivision all the proceeds of which (net of amounts applied to any costs of issuance thereof and to fund a reasonably required reserve) are used to finance, or to refund bonds issued to finance, owner-occupied residences and that meets certain (i) general requirements, (ii) arbitrage restrictions on the use and investment of proceeds of the issue, and (iii) loan eligibility requirements set forth in the Code and as more fully described above under “Tax Matters — Tax-Exempt Bonds — Loan Eligibility Requirements Imposed by the Code.” Such requirements do not apply to the 2024 Series B Bonds, except as noted below, as a result of transition rules in various federal tax laws adopted since 1980.

The first general requirement of the Code applicable to the Corporation’s Program is that the aggregate amount of private activity bonds that may be issued by the Corporation in any calendar year (or

previous years' carried forward amount) must not exceed the portion of the private activity bond volume limit for the State for such calendar year that is allocated to the Corporation. The 2024 Series A Bonds are within the applicable limit for the Corporation. The second general requirement of the Code applicable to the Corporation's Program is that at least 20% of the lendable proceeds of an issue of bonds (or such lesser amount as permitted by the Code) must be made available (and applied with reasonable diligence) for owner-financing of residences in targeted areas (as defined by the Code) for at least one year after the date on which such funds are first available for such owner-financing (the "targeted area requirement"). The Corporation has covenanted to comply with such requirements to the extent required by the Code.

The Code requires the issuer of qualified mortgage bonds to file with the Internal Revenue Service reports on the issuance of its qualified mortgage bonds following such issuance, as well as an annual qualified mortgage loan information report. The Corporation has covenanted to file, as required, such reports with respect to the mortgage loans financed by the 2024 Series A Bonds.

The Code requires that the effective interest rate on qualified mortgage loans financed with the lendable proceeds of qualified mortgage bonds (such as the 2024 Series A Bonds) may not exceed the yield on the composite issue of 2024 Series A Bonds and 2024 Series B Bonds by more than 1.125% and the effective interest rate on the mortgage loans collectively financed by the composite issue of the 2024 Series A Bonds and 2024 Series B Bonds may not exceed the yield on the composite issue by more than 1.50%. With respect to both the 2024 Series A Bonds and the 2024 Series B Bonds, the Code requires that certain investment earnings on non-mortgage investments, calculated based upon the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were invested at a yield equal to the yield on the issue, be rebated to the United States. The Corporation has covenanted to comply with these requirements and has established procedures to determine the amount of excess earnings, if any, that must be rebated to the United States.

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

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

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

Corporation may be required by the Code to redeem the 2024 Series A Bonds from unexpended proceeds attributable to the 2024 Series A Bonds. Additionally, for bonds issued after 1988, the Code permits repayments (including prepayments) of principal of mortgage loans financed with the proceeds of an issue of bonds to be used to make additional mortgage loans for only 10 years from the date of issuance of the bonds (or the date of issuance of the original bonds in the case of refundings), after which date such amounts must be used to redeem bonds, except for a \$250,000 de minimis amount. As a result, the Corporation may be required by the Code to redeem Tax-Exempt Bonds from repayments (including prepayments) of principal of Mortgage Loans financed with proceeds attributable to the 2024 Series A Bonds.

Compliance

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds, including compliance with restrictions on the yield of mortgage loans and non-mortgage investments and periodic rebate payments to the federal government, as well as restrictions on the type of Mortgage Loans financed. The Corporation will deliver concurrently with the delivery the Tax-Exempt Bonds, a Tax Regulatory Agreement and No Arbitrage Certificate which contains provisions and procedures relating to compliance with such requirements of the Code, and the Corporation has included provisions in the Program Documents that establish procedures, including receipt of certain affidavits and warranties from Mortgage Lenders and mortgagors, in order to assure compliance with the loan eligibility requirements and other requirements that must be satisfied subsequent to the date of issuance of the Tax-Exempt Bonds. The Corporation also has covenanted in the Indenture to do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid on the Tax-Exempt Bonds shall not be included in gross income for federal income tax purposes and, for such purpose, to adopt and maintain appropriate procedures. Failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes from their date of issuance. The opinion of Bond Counsel assumes the Corporation is in compliance with these covenants. Bond Counsel is not aware of any reason why the Corporation cannot or will not be in compliance with such covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Tax-Exempt Bonds may affect the tax status of interest on the Tax-Exempt Bonds.

Original Issue Discount

Tax-Exempt Bonds sold at an initial public offering price that is less than the stated amount to be paid at maturity constitute "Discount Bonds." The difference between the initial public offering prices of any such Discount Bond and the stated amount to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes to the same extent as interest on such Bond.

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

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount

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

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Original Issue Premium

Tax-Exempt Bonds sold at an initial public offering price that is greater than the stated amount to be paid at maturity constitute "Premium Bonds." An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of Tax-Exempt Bonds may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Tax-Exempt Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Certain Additional Federal Tax Consequences

The foregoing is a brief discussion of certain federal and state income tax matters with respect to the Tax-Exempt Bonds under existing statutes. It does not purport to deal with all aspects of federal or state taxation that may be relevant to a particular owner of Tax-Exempt Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Tax-Exempt Bonds.

Although Bond Counsel will render an opinion that interest on the Tax-Exempt Bonds will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Tax-Exempt Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Tax-Exempt Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the Tax-Exempt Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Tax-Exempt Bonds or the market value thereof would be impacted thereby. Purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinion expressed by Bond Counsel is based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Taxable Bonds

Opinion of Bond Counsel

In the opinion of Bond Counsel, to be delivered on the date of issuance of the Taxable Bonds, interest on the Taxable Bonds (i) is *included* in gross income for federal income tax purposes and (ii) is free from taxation by the State under existing law (*except* that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

General

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

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

Bond Premium

An investor that acquires a Taxable Bond for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Taxable Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount

If the Taxable Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest (as described in Section 1.1273-1 of the Regulations) allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. The amount of original issue discount accrued by the Owner of a Taxable Bond increases the Owner's cost basis in such Taxable Bond for purposes of computing gain or loss on disposition, redemption, or retirement of the Taxable Bond. Owners of Taxable Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income (notwithstanding the general rule described above in this paragraph) and with respect to the state and local tax consequences of owning such Taxable Bonds.

Market Discount

An investor that acquires a Taxable Bond for a price less than the adjusted issue price of such bond may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Taxable Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Taxable Bond not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Taxable Bond will generally be required (i) to allocate a portion of each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other

disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

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

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

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

Unearned Income Medicare Contribution Tax

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

Sales or Other Dispositions

If an owner of a Taxable Bond sells the bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

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

Defeasance

The legal defeasance of the Taxable Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Taxable Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Foreign Investors

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

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

Tax-Exempt Investors

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

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary

requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Taxable Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

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

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

Neither the Corporation as issuer of the Taxable Bonds nor the Underwriters are acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the Taxable Bonds or an interest in the Taxable Bonds.

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

PROSPECTIVE PURCHASERS OF THE OFFERED BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE OFFERED BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE OFFERED BONDS.

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters of the Offered Bonds in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), the Corporation will execute and deliver a Continuing Disclosure Certificate with respect to the 2024 Series A and B Bonds and a Continuing Disclosure Certificate with respect to the 2024 Series C Bonds (each, a “Continuing Disclosure Certificate”). The Corporation will undertake to provide the Municipal Securities Rulemaking Board (the “MSRB”), on an annual basis on or before 180 days after the end of each fiscal year for the Corporation, commencing with the fiscal year ending June 30, 2024, the financial and operating data concerning the Corporation outlined in each Continuing Disclosure Certificate. In addition, the Corporation will undertake, for the benefit of the registered owners and beneficial owners of the Offered Bonds, to provide to the MSRB, the notices described in each Continuing Disclosure Certificate by the times set forth therein.

The sole and exclusive remedy for breach or default under each Continuing Disclosure Certificate is an action to compel specific performance of the undertakings of the Corporation, and no person, including a registered owner or beneficial owner of the Offered Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under either Continuing Disclosure Certificate shall not constitute an Event of Default under the Indenture. In addition, if all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under each Continuing Disclosure Certificate, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The specific nature of the information to be provided is summarized in Appendix C — “Forms of Continuing Disclosure Certificates.”

RATINGS OF THE OFFERED BONDS

S&P has assigned the Offered Bonds a rating of “AA+” and Moody’s has assigned the Offered Bonds a rating of “Aa1”. The Corporation has furnished to each rating agency certain information and materials with respect to the Offered Bonds. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions made by the rating agencies. The obligation of the Underwriters to purchase the Offered Bonds is conditioned on the assignment by S&P and Moody’s of the respective aforementioned ratings to such Offered Bonds. Each rating reflects only the view of the applicable rating agency at the time such rating was issued and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that any such rating will continue for any given period of time or that any such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any such rating can be expected to have an adverse effect on the market price of the Offered Bonds.

FINANCIAL STATEMENTS

The unaudited financial statements of the Corporation as of and for the three months ended September 30, 2023, included in Appendix A to this Official Statement, appear without review or audit by an independent accountant.

The Corporation’s financial statements as of and for the year ended June 30, 2023, included in Appendix A to this Official Statement, have been audited by Eide Bailly LLP, independent auditors, as stated in their report appearing herein.

LITIGATION

There is no controversy or litigation of any material nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Offered Bonds, or in any way contesting or affecting the validity of the Offered Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Offered Bonds or the existence or powers of the Corporation.

LEGAL MATTERS

All legal matters incident to the authorization, sale and delivery of the Offered Bonds and certain federal and state tax matters are subject to the approval of Kutak Rock LLP, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP.

STATE NOT LIABLE ON BONDS

The Bonds do not constitute a debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any political subdivision thereof, but are payable solely from the revenue or assets of the Corporation.

LEGALITY FOR INVESTMENT

Subject to any applicable federal requirements or limitations, the Offered Bonds are eligible for investment by all public officers and public bodies of the State and its political subdivisions, and, to the extent controlled by State law, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, in the Offered Bonds.

UNDERWRITING

The 2024 Series A and B Bonds are being purchased by the Underwriters. The Underwriters have jointly and severally agreed to purchase the 2024 Series A and B Bonds at the price of \$128,338,588.42 (equal to the principal amount of the 2024 Series A and B Bonds, plus original issue premium of \$5,610,479.20, less underwriters' discount on the 2024 Series A Bonds of \$391,890.78), plus accrued interest, if any. The Underwriters will be paid a fee of \$217,330.05 with respect to the 2024 Series B Bonds. The Bond Purchase Agreement with respect to the 2024 Series A and B Bonds provides that the Underwriters will purchase all of such Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Bond Purchase Agreement, the receipt of certain legal opinions, and certain other conditions. The initial public offering prices and yields of the 2024 Series A and B Bonds may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2024 Series A and B Bonds to certain dealers (including dealers depositing such Bonds into unit investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower or yields higher than the public offering prices and yields of the 2024 Series A and B Bonds set forth on the inside cover page.

The 2024 Series C Bonds are being purchased by the Underwriters. The Underwriters have jointly and severally agreed to purchase the 2024 Series C Bonds at the price of \$120,471,204.82 (equal to the principal amount of the 2024 Series C Bonds, plus original issue premium of \$1,099,777.80, less underwriters' discount of \$628,572.98), plus accrued interest, if any. The Bond Purchase Agreement with respect to the 2024 Series C Bonds provides that the Underwriters will purchase all of such Bonds, if any

are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Bond Purchase Agreement, the receipt of certain legal opinions, and certain other conditions. The initial public offering prices and yields of the 2024 Series C Bonds may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2024 Series C Bonds to certain dealers (including dealers depositing such Bonds into unit investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower or yields higher than the public offering prices and yields of the 2024 Series C Bonds set forth on the inside cover page.

The following paragraph has been provided by the Underwriters:

Each of the Underwriters and its affiliates is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Corporation, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

The following paragraph has been provided by BofA Securities, Inc.:

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

The following paragraph has been provided by J.P. Morgan Securities LLC:

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

FINANCIAL ADVISOR

Masterson Advisors LLC is employed as Financial Advisor to the Corporation in connection with the issuance of the Offered Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Offered Bonds is contingent upon the issuance and delivery of the Offered Bonds. Masterson Advisors LLC, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Offered Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS

The following statements are made as contemplated by the provisions of the Private Securities Litigation Reform Act of 1995: If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions relating to the Corporation and the housing industry in general, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Corporation’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

The summaries and references herein to the Act, the Offered Bonds, the Indenture and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See “The Corporation — General” for the address and telephone number of the Corporation’s main office.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the owner of any Offered Bonds.

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APPENDIX A

FINANCIAL STATEMENTS OF THE CORPORATION

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A Component Unit of the State of Alaska

**Quarterly Unaudited
Financial Statements**

September 30, 2023

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This publication of Alaska Housing Finance Corporation. For comments or questions:

Website: <https://www.ahfc.us/investors/financials-history> or

E-Mail: rsmall@ahfc.us

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of September 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 19,267	\$ 10,500	\$ 57	\$ 34,275	\$ 64,099
Investments	521,982	-	157,657	6,801	686,440
Lease receivable	-	-	2,536	83	2,619
Accrued interest receivable	2,415	-	10,012	120	12,547
Inter-fund due (to)/from	(108,294)	52,111	59,214	(2,970)	61
Mortgage loans, notes and other loans, net	10,373	33	88,726	1,272	100,404
Other assets	3,000	15,858	-	1,195	20,053
Intergovernmental receivable	90	9,935	-	994	11,019
Total current	448,833	88,437	318,202	41,770	897,242
Non current					
Investments	9,917	-	22,239	-	32,156
Lease receivable	-	-	12,820	-	12,820
Inter-fund due (to)/from, net	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	290,734	967	2,868,833	41,110	3,201,644
Capital assets - non-depreciable	2,482	-	-	14,077	16,559
Capital assets - depreciable, net	10,800	176	-	38,260	49,236
Other assets	2,977	304	10,135	30	13,446
OPEB asset	14,102	-	-	-	14,102
Total non current	331,012	2,870	2,914,027	93,477	3,341,386
Total assets	779,845	91,307	3,232,229	135,247	4,238,628
Deferred Outflow Of Resources	7,437	-	44,272	-	51,709
Liabilities					
Current					
Bonds payable	-	-	100,555	-	100,555
Short term debt	84,771	-	-	-	84,771
Accrued interest payable	-	-	28,538	-	28,538
Other liabilities	9,272	92,269	885	1,094	103,520
Intergovernmental payable	-	-	57	1	58
Total current	94,043	92,269	130,035	1,095	317,442
Non current					
Bonds payable	-	-	2,293,224	-	2,293,224
Other liabilities	1,648	265	-	9	1,922
Derivative instrument - interest rate swaps	-	-	20,870	-	20,870
Pension liability	35,286	-	-	-	35,286
Total non current	36,934	265	2,314,094	9	2,351,302
Total liabilities	130,977	92,534	2,444,129	1,104	2,668,744
Deferred Inflow Of Resources	1,180	-	23,162	74	24,416
Net Position					
Net investment in capital assets	13,282	176	-	52,337	65,795
Restricted by bond resolutions	-	-	595,010	-	595,010
Restricted by contractual or statutory agreements	152,144	15,845	-	82,783	250,772
Unrestricted or (deficit)	489,699	(17,248)	214,200	(1,051)	685,600
Total net position	\$ 655,125	\$ (1,227)	\$ 809,210	\$ 134,069	\$ 1,597,177

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ 9,387	\$ 73,486
-	686,440
3,373	5,992
104	12,651
(61)	-
-	100,404
83	20,136
-	11,019
12,886	910,128
-	32,156
-	12,820
(1,423)	-
25,540	3,227,184
4,740	21,299
-	49,236
1	13,447
-	14,102
28,858	3,370,244
41,744	4,280,372
-	51,709
-	100,555
-	84,771
-	28,538
606	104,126
-	58
606	318,048
-	2,293,224
220	2,142
-	20,870
-	35,286
220	2,351,522
826	2,669,570
3,262	27,678
4,740	70,535
-	595,010
32,953	283,725
(37)	685,563
\$ 37,656	\$ 1,634,833

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 954	\$ -	\$ 30,610	\$ 346	\$ 31,910
Investment interest	5,600	-	2,242	269	8,111
Net change in the fair value of investments	1,647	-	557	-	2,204
Net change of hedge termination	-	-	-	-	-
Total investment revenue	7,247	0	2,799	269	10,315
Grant revenue	-	16,574	-	1,109	17,683
Housing rental subsidies	-	-	-	3,287	3,287
Rental revenue	2	-	-	3,088	3,090
Gain on disposal of capital assets	-	5	-	23	28
Other revenue	451	200	6	-	657
Total operating revenues	8,654	16,779	33,415	8,122	66,970
Operating expenses					
Interest	1,431	-	19,496	-	20,927
Mortgage and loan costs	955	-	2,409	35	3,399
Bond financing expenses	115	-	1,239	-	1,354
Provision for loan loss	(2,998)	-	565	(28)	(2,461)
Operations and administration	4,609	3,196	1,109	4,053	12,967
Rental housing operating expenses	-	2	-	3,552	3,554
Grant expense	-	18,920	-	-	18,920
Total operating expenses	4,112	22,118	24,818	7,612	58,660
Operating income (loss)	4,542	(5,339)	8,597	510	8,310
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(1,121)	-	-	-	(1,121)
Interfund receipts (payments) for operations	(17,708)	3,432	13,498	735	(43)
Change in net position	(14,287)	(1,907)	22,095	1,245	7,146
Net position at beginning of year	669,412	680	787,115	132,824	1,590,031
Net position at end of period	\$ 655,125	\$ (1,227)	\$ 809,210	\$ 134,069	\$ 1,597,177

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total September 30, 2023
<u>\$ 36</u>	<u>\$ 31,946</u>
1	8,112
-	2,204
-	-
<u>1</u>	<u>10,316</u>
-	17,683
-	3,287
17	3,107
-	28
-	657
<u>54</u>	<u>67,024</u>
-	20,927
-	3,399
-	1,354
607	(1,854)
52	13,019
1	3,555
-	18,920
<u>660</u>	<u>59,320</u>
<u>(606)</u>	<u>7,704</u>
-	(1,121)
<u>43</u>	<u>-</u>
<u>(563)</u>	<u>6,583</u>
38,219	1,628,250
<u><u>\$ 37,656</u></u>	<u><u>\$ 1,634,833</u></u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,674	\$ -	\$ 18,273	\$ 218	\$ 20,165
Principal receipts on mortgages and loans	8,565	-	42,746	1,605	52,916
Disbursements to fund mortgages and loans	(170,342)	-	-	-	(170,342)
Receipts (payments) for interfund loan transfers	105,729	-	(105,729)	-	-
Mortgage and loan proceeds receipts	107,350	-	-	-	107,350
Mortgage and loan proceeds paid to trust funds	(68,416)	-	-	-	(68,416)
Payroll-related disbursements	(6,388)	(1,557)	-	(2,676)	(10,621)
Payments for goods and services	(16,030)	(498)	-	(3,575)	(20,103)
Receipts from externally funded programs	-	6,763	-	4,033	10,796
Receipts from Federal HAP subsidies	-	8,036	-	-	8,036
Payments for Federal HAP subsidies	-	(8,954)	-	-	(8,954)
Interfund receipts (payments)	(12,475)	9,195	-	3,317	37
Grant payments to other agencies	-	(14,677)	-	-	(14,677)
Other operating cash receipts (payments)	6,061	146	(109)	2,685	8,783
Net cash receipts (disbursements)	(44,272)	(1,546)	(44,819)	5,607	(85,030)
Non-capital financing activities					
Proceeds from bond issuance	-	-	50,061	-	50,061
Payment of bond issuance costs	-	-	(659)	-	(659)
Proceeds from short-term debt issuance	84,506	-	-	-	84,506
Payment of short term debt	(129,642)	-	-	-	(129,642)
Contributions to State of Alaska or State agencies	(1,121)	-	-	-	(1,121)
Transfers from (to) other funds	502	-	(502)	-	-
Net cash receipts (disbursements)	(45,755)	-	48,900	-	3,145
Capital financing activities					
Acquisition of capital assets	(34)	(19)	-	(557)	(610)
Proceeds from the disposal of capital assets	5	5	-	23	33
Payment of bond issuance costs	-	-	-	-	-
Net cash receipts (disbursements)	(29)	(14)	-	(534)	(577)
Investing activities					
Purchase of investments	(1,158,891)	-	(141,025)	(1,896)	(1,301,812)
Proceeds from maturity of investments	1,235,263	-	134,951	-	1,370,214
Interest received from investments	5,244	-	1,884	249	7,377
Net cash receipts (disbursements)	81,616	-	(4,190)	(1,647)	75,779
Net Increase (decrease) in cash	(8,440)	(1,560)	(109)	3,426	(6,683)
Cash at beginning of year	27,707	12,060	166	30,849	70,782
Cash at end of period	\$ 19,267	\$ 10,500	\$ 57	\$ 34,275	\$ 64,099

Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ -	\$ 20,165
-	52,916
-	(170,342)
-	-
-	107,350
-	(68,416)
(35)	(10,656)
(17)	(20,120)
-	10,796
-	8,036
-	(8,954)
(37)	-
-	(14,677)
52	8,835
(37)	(85,067)
-	50,061
-	(659)
-	84,506
-	(129,642)
-	(1,121)
-	-
-	3,145
-	(610)
-	33
-	-
-	(577)
-	(1,301,812)
-	1,370,214
1	7,378
1	75,780
(36)	(6,719)
9,423	80,205
\$ 9,387	\$ 73,486

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 4,542	\$ (5,339)	\$ 8,597	\$ 510	\$ 8,310
<i>Adjustments:</i>					
Depreciation expense	236	12	-	1,368	1,616
Provision for loan loss	(2,998)	-	565	(28)	(2,461)
Net change in the fair value of investments	(1,647)	-	(557)	-	(2,204)
Interfund receipts (payments) for operations	(17,708)	3,432	13,498	735	(43)
Interest received from investments	(5,244)	-	(1,884)	(249)	(7,377)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(44,968)	-	(56,814)	2,829	(98,953)
Net increase (decrease) in assets, liabilities, and deferred resources	23,515	349	(8,224)	442	16,082
Net operating cash receipts (disbursements)	\$ (44,272)	\$ (1,546)	\$ (44,819)	\$ 5,607	\$ (85,030)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 18,143	\$ -	\$ 18,143
Derivative instruments liability	-	-	18,143	-	18,143
Net change of hedge termination	-	-	86	-	86
Deferred outflow debt refunding	-	-	1,701	-	1,701
Total non-cash activities	\$ -	\$ -	\$ 38,073	\$ -	\$ 38,073

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ (606)	\$ 7,704
-	1,616
607	(1,854)
-	(2,204)
43	-
(1)	(7,378)
-	-
608	(98,345)
(688)	15,394
\$ (37)	\$ (85,067)
\$ -	\$ 18,143
-	18,143
-	86
-	1,701
\$ -	\$ 38,073

NOTE DISCLOSURES INDEX

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FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

1 AUTHORIZING LEGISLATION AND FUNDING

The Alaska Housing Finance Corporation (the "Corporation") or ("AHFC"), a public corporation and government instrumentality of the State of Alaska (the "State"), was created in 1971, and substantially modified in 1992, by acts of the Alaska State Legislature (the "Legislature") to assist in the financing, development and sale of dwelling units, operate the State's public housing, offer various home loan programs emphasizing housing for low and moderate-income and rural residents, and administer energy efficiency and weatherization programs within Alaska. The Corporation is a component unit of the State and is discretely presented in the State's financial statements.

Generally, the Corporation accomplishes its mortgage-related objectives by functioning as a secondary market for qualified real estate loans originated by financial institutions. The Corporation is authorized by the Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as, in the opinion of the Corporation, will be necessary to provide sufficient funds for carrying out its purpose. Certain bonds issued to finance residences for qualified veterans are unconditionally guaranteed by the State. No other obligations constitute a debt of the State.

The non-mortgage related programs of the Corporation are funded through various grant and program agreements with the federal government's departments of Housing and Urban Development ("HUD"), Agriculture ("USDA"), Veterans Affairs ("VA"), Treasury ("DOT"), Energy ("DOE"), and Health and Human Services ("HHS"), funding from the State of Alaska, as well as capital and operating subsidies from the Corporation's own funds.

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc/ntsc-financial-statements/>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc/ahcc-financial-statements/>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/alaska-corporation-affordable-housing-acah/acah-financial-statements/>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial reporting entity consists of AHFC and the blended component unit ACAH. The entities are closely related and financially integrated. The board of directors for AHFC and ACAH are the same and both entities have similar mission statements. ACAH is a legally separate entity from AHFC, but is considered a blended component unit of AHFC due to AHFC's operational responsibility for ACAH and the potential financial benefit or financial burden between AHFC and ACAH. AHFC is financially accountable for ACAH.

The other affiliates of AHFC are not closely related, nor financially integrated with AHFC. There is no financial accountability for the other affiliates by AHFC. They are not component units of AHFC, thus not included in these financial statements. NTSC and AHCC are component units of the State.

Neither AHFC nor the State is liable for any debt issued by the affiliates of AHFC. They are government instrumentalities of, but have a legal existence separate and apart from, the State.

Basis of Accounting

The financial reporting entity utilizes the economic resource measurement focus and full accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles as set forth in GASB's pronouncements.

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

The basic financial statements include a Total Funds and Programs column representing an aggregate of AHFC amounts and a Total column for the financial reporting entity, an aggregation of both AHFC and ACAH amounts.

Major Funds and Component Unit

The basic fund financial statements present the major funds of AHFC and the major component unit ACAH.

Administrative Fund: This is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation not accounted for in other funds.

Grant Programs: Resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families, to assist in improving the energy efficiency of Alaska homes, and to provide tenant-based rental assistance programs for families in the private market (administered by the Corporation under contract with HUD).

Mortgage or Bond Funds: Provides resources to assist in the financing of loan programs or to fund Legislature appropriations.

Other Funds or Programs: Includes the Low Rent program and other affordable housing for low income families managed under contract with HUD, owned by AHFC. Also includes the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

Component unit ACAH: A non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major component unit for the benefit of users of the financial statements.

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

The other financial activities of the Corporation are restricted by the Corporation's bond indentures, requirements from the Legislature, and statutory requirements or third-party agreements that restrict the use of resources. These restricted resources are recorded in various special purpose funds and accounts. Restricted funds with a net deficit balance are shown as having an unrestricted net position balance pursuant to reporting requirements.

When both restricted and unrestricted resources are available in a fund, it is the Corporation's policy to spend restricted funds to the extent allowed and only spend unrestricted funds when needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The major estimate for the Corporation is the allowance for loan losses.

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

Interest is accrued based upon the principal amount outstanding. Accrual of interest income is discontinued on loans when, in the opinion of management, collection of such interest becomes doubtful. When payment of interest is provided for pursuant to the terms of loan insurance or guarantees, accrual of interest on delinquent loans and real estate owned is continued.

Loans and Allowances for Estimated Loan Losses

Mortgage loans are carried at their unpaid principal balances net of allowance for estimated loan losses. Once monies have been disbursed, the mortgage loans are recorded.

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the

Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. While management uses the best information available to make evaluations, future adjustments to the allowances may be necessary if there are significant changes in economic conditions or property disposal programs.

Real Estate Owned

Real estate owned consists principally of properties acquired through foreclosure or repossession and is carried at the lower of cost or estimated net realizable value. These amounts are included in other assets.

Depreciation

Depreciation and amortization of buildings, equipment, and leasehold improvements are computed on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives range from 3 to 40 years. The capitalization threshold is \$5,000.

Bonds

The Corporation issues bonds to provide capital for its mortgage programs and other uses consistent with its mission. The bonds are recorded at cost plus accreted interest and premiums, less discounts. Discounts and premiums are amortized using the straight-line method. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

Deferred debt refunding expenses occur when new debt is issued to replace existing debt. The differences between the carrying value of the old debt and the resources used to redeem it are called deferred debt refunding expenses. The unamortized balances of these expenses are recorded as deferred outflows of resources. These expenses are amortized over the shorter of the remaining life of the old debt or the remaining life of the new debt.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

The standard requires the recognition of right-of-use assets and lease liabilities, and Lease Receivable and Deferred Inflow of Resources, for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor records Lease Receivable and Deferred Inflow of Resources, measured at present value of future lease payments and receipts respectively, discounted at Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components, interest revenue on lease receivable and revenue from amortization of deferred inflow of resources.

Subscription-Based Information Technology Arrangements

The Corporation adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset, an intangible asset, and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract.

Derivative Instruments-Interest Rate Swaps

The Corporation's Fiscal Policies allow, with certain restrictions, the Corporation to enter into certain derivative financial instruments called interest rate swap agreements, or swaps. The Corporation enters into these swaps with various counter-parties to achieve a lower overall cost of funds for certain bond issuances. These agreements can be negotiated whereby the Corporation pays the counter-party a fixed interest rate in exchange for a variable interest rate payment from the counter-party, or vice-versa. The swap agreements are negotiated to achieve the financing

objectives of the Corporation. The swaps are stated at fair value. The change in the fair value of the hedgeable derivatives is recorded as deferred inflows of resources or deferred outflows of resources, and the change in the fair value of the investment derivatives is recorded as investment revenue.

Operating Revenues and Expenses

The Corporation was created with the authority to issue bonds to the investing public in order to create a flow of private capital through the Corporation into mortgage loans to qualified housing sponsors and to certain individuals. The Corporation's primary purpose is to borrow funds in the bond market and to use those funds to make single-family and multi-family mortgages and loans. Its primary operating revenue is derived from the interest income and fees from those mortgages and loans and on the invested proceeds from the bond issues. Additionally, the Corporation's statutory purpose includes providing financial assistance programs for rental subsidies to tenants of various housing developments. The Corporation records all revenues from mortgages and loans, investments, rental activities, and externally funded programs as operating revenues. The primary costs of providing these programs are recorded as operating expenses.

Income Taxes

The Corporation is exempt from federal and state income taxes.

3 CASH AND INVESTMENTS

Cash consists of demand deposits, time deposits, and cash held in trust. The carrying amount of the Corporation's cash is restricted by bond resolutions, contractual agreements, and statutory agreements. A summary of the Corporation's cash is shown below (in thousands):

	September 30, 2023
Restricted cash	\$ 62,924
Unrestricted cash	10,562
Carrying amount	73,486
Bank balance	\$ 72,750

Investment Valuation

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

AHFC measures its investments using quoted market prices (Level 1 inputs).

Investment Maturities

The fair value of debt security investments by contractual maturity is shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

	Investment Maturities (In Years)				September 30, 2023
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	
Securities of U.S. Government agencies and corporations	\$ 41,467	\$ 9,917	\$ -	\$ -	\$ 51,384
Commercial paper & medium-term notes	430,239	-	-	-	430,239
Corporate Certificates of Deposit	17,004	-	-	-	17,004
Guaranteed Investment Contracts	-	10,000	12,239	-	22,239
Money market funds	196,177	-	-	-	196,177
Total not including GeFONSI	\$ 684,887	\$ 19,917	\$ 12,239	\$ -	\$ 717,043
GeFONSI pool					1,553
Total AHFC Investment Portfolio					\$ 718,596

Restricted Investments

A large portion of the Corporation's investments, \$186,697,000, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$531,899,000, is unrestricted.

Realized Gains and Losses

The calculation of realized gains and losses is independent of the calculation of the net increase 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 the current period may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments included in the table below takes into account all changes in fair value (including purchases and sales) that occurred during the period. A summary of the gains and losses is shown below (in thousands):

Original Amount	September 30, 2023
Ending unrealized holding gain	\$ 7,838
Beginning unrealized holding gain	5,644
Net change in unrealized holding gain	2,194
Net realized gain (loss)	10
Net increase (decrease) in fair value	\$ 2,204

Deposit and Investment Policies

The Corporation utilizes different investment strategies depending upon the nature and intended use of the assets being invested. All funds are classified as trusted or non-trusted, and this classification determines the applicable investment guidelines used by staff when making investment decisions. Trusted funds are invested in accordance with their respective indentures or governing agreements. Non-trusted funds are governed by the terms outlined in the Corporation's Fiscal Policies and are typically invested to meet the projected need for use of such funds.

The following securities are eligible for investment under the Corporation's Fiscal Policies.

- Obligations backed by the full faith and credit of the United States;
- Obligations of U.S. government-sponsored enterprises ("GSEs") and federal agencies not backed by the full faith and credit of the United States;
- Obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Money market funds ("MMF") rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAMmf" by Fitch;
- Banker's acceptances and negotiable certificates of deposit of any bank, the unsecured short-term obligations of which are rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch and which is incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank having a long-term issuer rating of at least "AA" from S&P or "Aa2" from Moody's or "AA" from Fitch;
- Commercial paper, including asset-backed commercial paper, rated at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch;
- Repurchase agreements ("repos") where: the counterparty is designated as a primary dealer by the Federal Reserve and has a long-term debt rating of at least "A" by S&P or "A" by Moody's or "A" by Fitch or a short-term rating of at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch; collateral is pledged at a minimum level of 102%, valued on a daily basis with a one-business-day cure period; the term of such repurchase agreement is one week or less; a third-party custodian acting as the Corporation's agent has possession of the collateral and holds such collateral in the Corporation's name; the agreement is evidenced by standard documents published by the Securities Industry and Financial Markets Association ("SIFMA"); and the securities to be repurchased are obligations backed by the full faith and credit of the United States or obligations of U.S. government-sponsored enterprises and federal agencies not backed by the full faith and credit of the United States or obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;

- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch, or, if the term is one year or less, at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch;
- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year, or at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least "AA+" by S&P or "Aa1" by Moody's or "AA+" by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments ("GeFONSI") pool.

Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Corporation mitigates its credit risk by limiting investments to those permitted in its Fiscal Policies and relevant governing agreements, diversifying the investment portfolio, and pre-qualifying firms with which the Corporation administers its investment activities.

The credit quality ratings of the Corporation's investments as of September 30, 2023, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody's	Investment Fair Value
Securities of U.S. Government agencies & corporations, Commercial paper, Medium-term notes, Guaranteed investment contracts, Certificates of deposit & U.S. Treasury bills ("T-Bill"):	AA+	Aaa	\$ 11,011
	AA+	Aa3	12,239
	AA-	Aa2	10,000
	AA-	Aa3	1,000
	A+	A1	500
	A-1+	P-1	177,990
	A	A2	464
	A-1	P-1	173,979
	A-1	P-2	14,975
	A-1	NA	10,690
	A-2	P-1	67,712
	NR	P-1	25,422
	NA	P-2	14,884
Money market funds:	AAAm	Aaa-mf	196,177
			<u>\$ 717,043</u>

Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of the Corporation's investments in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for trust investments. The following table details the maximum concentration limits for non-trust investments as outlined in the Corporation's Fiscal Policies. Under certain conditions, the Fiscal Policies permit investments in excess of these limits. For more information, please see the Corporation's Fiscal Policies at: <http://www.ahfc.us/pros/investors/fiscal-policies>.

Investment Category	Category Limit as % of Total Portfolio	Issuer Limit as % of Total Portfolio
U.S. Government obligations	n/a	n/a
U.S. GSEs and agencies	n/a	35%
World Bank obligations	n/a	35%
Money market funds	n/a	n/a
Banker's acceptances, negotiable CDs	n/a	5%
Commercial paper	n/a	5%
Repurchase agreements	n/a	25%
Guaranteed investment contracts	n/a	5%
Corporate and municipal notes and bonds	n/a	5%
Asset-backed securities	20%	5%
State of Alaska investment pools	n/a	n/a

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of September 30, 2023, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio	Investment Category
Morgan Stanley	\$ 89,007	12.39%	MMF
Invesco Ltd.	65,112	9.06%	MMF
Groupe BPCE	59,398	8.27%	CP
JP Morgan	42,059	5.85%	MMF
United States Treasury	38,373	5.34%	T-Bill
Met Life	37,551	5.23%	CP
	<u>\$ 331,500</u>		

Custodial Credit Risk

The Corporation assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. For bank investment agreements and investments, custodial credit risk is the risk that, in the event of failure of the custodian or counterparty holding the investment, the Corporation will not be able to recover the value of the investment. As stated in the Corporation's Fiscal Policies, credit risk is mitigated by limiting investments to those highly-rated securities permitted in the Fiscal Policies and by pre-qualifying firms through which the Corporation administers its investment activities.

Of the Corporation's \$72,750,000 bank balance as of September 30, 2023, cash deposits in the amount of \$35,972,000 were uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. As stated in the Corporation's Fiscal Policies, for non-trust investments, the Corporation mitigates interest rate risk by structuring its investment maturities to meet cash requirements (including corporate operations), thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in the bond indentures and contractual and statutory agreements.

The GeFONSI pool investment interest rate risk details are at the end of this footnote.

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of September 30, 2023, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 51,384	0.471
Certificate of Deposit	17,004	0.269
Commercial paper & medium-term notes:		
Commercial paper discounts	428,275	0.274
Medium-term notes	1,964	0.411
Guaranteed Investment Contracts	22,239	5.748
Money market funds	196,177	0.000
Portfolio modified duration	<u>\$ 717,043</u>	0.383

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Annual Comprehensive Financial Report (ACFR) available from the Department of Administration, Division of Finance.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool was \$1,553,000 as of September 30, 2023.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at: <http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of September 30, 2023, is shown below (in thousands):

	Due From					
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
Administrative Fund	\$ -	\$ 16,132	\$ -	\$ 4,879	\$ 61	\$ 21,072
Grant Programs	68,243	-	-	-	1,423	69,666
Mortgage or Bond Programs	59,214	-	-	-	-	59,214
Other Funds or Programs	1,909	-	-	-	-	1,909
Total	<u>\$ 129,366</u>	<u>\$ 16,132</u>	<u>\$ -</u>	<u>\$ 4,879</u>	<u>\$ 1,484</u>	<u>\$ 151,861</u>

The balance due to the Mortgage or Bond programs from the Administrative Fund resulted primarily from monies belonging to these funds being deposited in an Administrative Fund account to obtain a greater rate of return.

The balance due to the Administrative Fund from Grant Programs, Other Funds or Programs, and ACAH resulted primarily from expenditures paid by the Administrative Fund on behalf of those programs, as well as an allocation of management and bookkeeping fees mandated by HUD.

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

A summary of mortgage loans, notes and other loans is shown below (in thousands):

	September 30, 2023
Mortgage loans	\$ 2,905,278
Multifamily loans	389,021
Other notes receivable	72,262
	3,366,561
Less:	
Allowance for losses	(38,973)
Net Mortgages, Notes & Other	\$ 3,327,588

Of the \$3,366,561,000 mortgage loans, notes, and other loans, \$100,404,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$27,291,000. Included in the allowance for losses is \$1,751,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$25,540,000.

Other supplementary loan information is summarized in the following table (in thousands):

	September 30, 2023
Loans Delinquent 30 days or more	\$ 113,753
Foreclosures during reporting period	1,166
Loans in foreclosure process	11,952
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 144,130

6 INSURANCE AGREEMENTS

The Corporation has obtained private mortgage insurance, credit insurance, or guarantees on certain mortgages and loans. The agreements protect the Corporation to varying degrees against losses arising from the disposition of the related collateral obtained through foreclosure or repossession, as well as the costs of obtaining title to, maintaining, and liquidating the collateral. The Corporation is exposed to losses on disposition in the event the insurers or guarantors are unable or refuse to meet their obligations under these agreements.

7 LEASES

GASB 87

The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lease Liability

As of September 30, 2023, Current Lease Liability of \$101,000 and Long term Lease Liability of \$1,314,000, total of \$1,415,000 Lease Liability, and Right-of-Use Asset of \$1,657,000, were recognized by the Corporation. The Corporation as a Lessee records the Right-of-Use Asset and Lease Liability at present value of future lease

payments discounted at weighted-average discount rate based on the Corporation's incremental borrowing rate of 5% subject to reexamination on annual basis.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to five years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases. As of September 30, 2023, the Corporation recognized a total amount of lease assets of \$1,657,000 and its related accumulated amortization of \$261,000.

Remaining obligations associated with these leases are as follows (in thousands):

Date	Interest Due	Principal Due
6/30/2024	\$ 117	\$ 107
6/30/2025	85	78
6/30/2026	65	64
6/30/2027	59	67
6/30/2028	56	69
2029 and thereafter	\$ 386	\$ 1,030

Lease Receivable

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009 through June 30, 2019. The Corporation opted to renew an additional 10 year period, which terminates this lease in March 2029. As of September 30, 2023, the Corporation recognized a Lease Receivable from this lease of \$83,000 measured at present value of future lease receivable expected to be received during the lease term discounted at 5% incremental borrowing rate.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of September 30, 2023, ACAH recognized a Lease Receivable of \$3,373,000 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage.

The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage.

As of September 30, 2023, the Corporation recognized valuation of Lease Receivable of \$15,356,000 measured based on discounted future lease at Corporation's incremental borrowing rate of 5%, subject to reexamination on annual basis. The following table lists the components of the Lease Receivable and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

Future Minimum Payments Due	
Twelve Months Ending September 30	Parking Garage
2024	\$ 3,304
2025	3,304
2026	3,304
2027	3,304
Thereafter	3,301
Gross payments due	16,517
Less: Unearned revenue	(1,161)
Net Lease Receivable	\$ 15,356

8 CAPITAL ASSETS

Capital assets activity for the three months ended September 30, 2023, and a summary of balances is shown below (in thousands):

Issuer	June 30, 2023	Additions	Reductions	September 30, 2023
Non-Depreciable Capital Assets:				
Land	\$ 20,742	\$ -	\$ -	\$ 20,742
Construction in progress	-	557	-	557
Total Non-Depreciable	20,742	557	-	21,299
Depreciable Capital Assets:				
Buildings	245,488	-	-	245,488
Computers & Equipment	3,699	53	-	3,752
Vehicles	3,333	-	(19)	3,314
Less: Accumulated depreciation				
Buildings	(195,991)	(1,492)	-	(197,483)
Computers & Equipment	(3,346)	(45)	-	(3,391)
Vehicles	(2,383)	(80)	19	(2,444)
Total Depreciable, Net	50,800	(1,564)	-	49,236
Total Capital Assets, Net	\$ 71,542	\$ (1,007)	\$ -	\$ 70,535

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$1,617,000 for the three months ended September 30, 2023.

The Corporation is obligated under contracts and other commitments to purchase and/or modernize certain fixed assets. The total commitment, including amounts to be funded by third parties, was \$15,230,000 as of September 30, 2023.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. Block 102, containing land the State did not transfer but may take ownership of at a later date, is reported as a Corporation asset at the assessed value of \$4,175,000, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at September 30, 2023, were interest rate swap derivatives of \$20,870,000, deferred debt refunding expense of \$23,402,000, pension deferred outflows of \$3,511,000, and other post-employment benefits deferred outflows of \$3,926,000, for a total of \$51,709,000.

10 BONDS PAYABLE

All of the bonds are general obligations of the Corporation for which its full faith and credit are pledged. All of the bonds are secured, as described in the applicable agreements, by the revenues, monies, investments, mortgage loans, and other assets in the funds and accounts established by the respective security agreements. A substantial portion of the assets of the Corporation are pledged to the outstanding obligations of the Corporation.

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of September 30, 2023, are shown on the next three pages (in thousands):

	Original Amount	September 30, 2023
Housing Bonds:		
Home Mortgage Revenue Bonds, Tax-Exempt:		
• 2002 Series A; Floating Rate*; 4.60% at September 30, 2023, due 2032-2036	\$ 170,000	\$ 26,260
Unamortized swap termination penalty		(940)
• 2007 Series A; Floating Rate*; 3.85% at September 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series B; Floating Rate*; 3.95% at September 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series D; Floating Rate*; 3.85% at September 30, 2023, due 2023-2041	89,370	75,480
• 2009 Series A; Floating Rate*; 3.85% at September 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series B; Floating Rate*; 3.85% at September 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series D; Floating Rate*; 3.85% at September 30, 2023, due 2023-2040	80,870	72,495
Total Home Mortgage Revenue Bonds	652,000	445,015
Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:		
• 2016 First and Second Series; 1.50% to 2.90%, due 2023-2037	50,000	26,035
• 2019 First and Second Series; 1.95% to 4.00%, due 2023-2048	60,000	15,310
Unamortized premium		442
• 2023 First Series; 3.15% to 4.65%, due 2027-2052	49,900	49,900
Total Collateralized Bonds (Veterans Mortgage Program)	159,900	91,687

	Original Amount	September 30, 2023
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 1.75%-3.50%, due 2023-2046	100,000	40,500
Unamortized premium		178
• 2018 Series A; 2.40%-4.00%, due 2023-2048	109,260	28,995
Unamortized premium		897
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		2,997
• 2019 Series A; 1.45%-3.75%, due 2023-2044	136,700	88,185
Unamortized premium		1,029
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		3,381
• 2020 Series A; 0.55%-3.25%, due 2023-2044	135,170	109,975
Unamortized premium		2,949
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		9,984
• 2022 Series A; 0.35%-3.00%, due 2023-2051	39,065	36,380
Unamortized premium		1,010
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		13,450
• 2022 Series C; 2.55%-5.75%, due 2023-2052	87,965	87,650
Unamortized premium		2,462
Total General Mortgage Revenue Bonds II, Tax-Exempt	850,070	636,877
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 3.85% at September 30, 2023, due 2023-2030	76,580	28,640
Unamortized swap termination penalty		(1,730)
• 2001 Series B; Floating Rate*; 3.85% at September 30, 2023, due 2023-2030	93,590	34,995
Total Governmental Purpose Bonds	170,170	61,905
Total Housing Bonds	1,832,140	1,235,485

	Original Amount	September 30, 2023
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2014 Series A; 4.00% to 5.00%, due 2023-2033	95,115	3,105
Unamortized premium		8
• 2014 Series B; 5.00%, due 2023-2029	29,285	2,140
Unamortized premium		18
• 2014 Series D; 5.00%, due 2023-2029	78,105	11,435
Unamortized premium		168
• 2015 Series A; 4.00% to 5.00%, due 2023-2030	111,535	16,635
Unamortized premium		397
• 2015 Series B; 3.38% to 5.00%, due 2023-2036	93,365	38,460
Unamortized discount		(98)
Unamortized premium		201
• 2015 Series C; 5.00%, due 2024-2035	55,620	8,395
Unamortized premium		226
• 2017 Series A; 4.00% to 5.00%, due 2023-2032	143,955	113,220
Unamortized premium		7,979
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		3,057
• 2018 Series B; 3.13% to 5.00%, due 2023-2038	35,570	30,220
Unamortized discount		(51)
Unamortized premium		2,249
• 2019 Series B; 4.00% to 5.00%, due 2023-2039	60,000	53,140
Unamortized premium		6,387
• 2021 Series A; 3.00% to 5.00%, due 2023-2030	90,420	90,420
Unamortized premium		12,791
• 2022 Series B; 4.00% to 5.00%, due 2023-2037	97,700	92,695
Unamortized discount		(36)
Unamortized premium		7,299
Total State Capital Project Bonds II, Tax-Exempt	934,525	544,315
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 5.39% at September 30, 2023, due 2047	150,000	90,000
• 2018 Series A; Floating Rate*; 5.38% at September 30, 2023, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 5.35% at September 30, 2023, due 2033-2044	140,000	140,000
• 2020 Series A; 0.85% to 2.18%, due 2023-2033	96,665	93,980
• 2022 Series A; Floating Rate*; 5.37% at September 30, 2023, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	613,980
Total Non-Housing Bonds	1,611,190	1,158,295
Total Bonds Payable	\$ 3,443,330	\$ 2,393,779

Note: Debt service payments on the above-mentioned bonds are semi-annual unless otherwise mentioned.

*Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

Assets Pledged As Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 1,676,092	\$ 138,096	\$ -	\$ 1,814,188
Non-Housing	-	-	15,356	15,356
Total	\$ 1,676,092	\$ 138,096	\$ 15,356	\$ 1,829,544

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the three months ended September 30, 2023, the Corporation did not make any special redemptions.

Bond Defeasances

There were no new bond defeasances for the first three months of FY24. A summary of all defeased debt from prior two fiscal years, as of September 30, 2023, follows (in thousands):

	Month Defeased	September 30, 2023
State Capital Project Bonds II, 2014 Series A	October 2020	\$ 35,200
State Capital Project Bonds II, 2014 Series A	June 2021	18,250
State Capital Project Bonds II, 2014 Series B	June 2021	13,860
State Capital Project Bonds II, 2014 Series D	June 2021	39,980
State Capital Project Bonds II, 2015 Series A	June 2021	23,200
State Capital Project Bonds II, 2015 Series B	June 2021	21,495
State Capital Project Bonds II, 2015 Series C	June 2021	31,045
State Capital Project Bonds II, 2015 Series A	December 2021	31,580
State Capital Project Bonds II, 2015 Series B	December 2021	8,450
		<u>\$ 223,060</u>

Debt Service Requirements**

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2028, and in five year increments thereafter to maturity, are shown below (in thousands):

Twelve Months Ending September 30	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
	Principal	Interest*	Principal	Interest*	Principal	Interest*	Total
2024	\$ 41,415	\$ 41,871	\$ 59,140	\$ 49,840	\$ 100,555	\$ 91,711	\$ 192,266
2025	42,950	41,016	58,345	47,103	101,295	88,119	189,414
2026	46,005	39,784	45,425	44,594	91,430	84,378	175,808
2027	47,615	38,431	48,075	42,497	95,690	80,928	176,618
2028	45,980	37,001	46,565	40,240	92,545	77,241	169,786
29-33	396,060	153,520	276,315	176,550	672,375	330,070	1,002,445
34-38	293,615	81,771	161,785	135,438	455,400	217,209	672,609
39-43	181,525	38,848	178,730	93,189	360,255	132,037	492,292
44-48	63,215	17,707	186,285	49,361	249,500	67,068	316,568
49-53	40,995	4,825	57,035	7,041	98,030	11,866	109,896
	<u>\$ 1,199,375</u>	<u>\$ 494,774</u>	<u>\$ 1,117,700</u>	<u>\$ 685,853</u>	<u>\$ 2,317,075</u>	<u>\$ 1,180,627</u>	<u>\$ 3,497,702</u>

* Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at September 30, 2023.

** Also see Note 11 – Derivatives.

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption (including sinking fund payments); a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, any of the covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of September 30, 2023, follows (in thousands):

	Maximum Issue Amount	Balance as of September 30, 2023	Remaining Authority as of September 30, 2023
Revenue Bonds, 2024 (Spenard East Phase II)	\$ 10,000	\$ 539	\$ 9,461
Revenue Bonds, 2023 (Brewsters MT View 21)	5,500	88	5,412
Revenue Bonds, 2023 (ACAH Fairbanks Project)	13,000	5,541	7,459
Revenue Bonds, 2021 (Little Dipper Project)	4,372	4,372	-
Revenue Bonds, 2020 (Old Mat Phase 1 Project)	3,800	1,349	2,451
Total	<u>\$ 36,672</u>	<u>\$ 11,889</u>	<u>\$ 24,783</u>

11 DERIVATIVES

The Corporation entered into derivatives to reduce the overall cost of borrowing long-term capital and protect against the risk of rising interest rates. The Corporation's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements,

and were entered into at a cost less than what the Corporation would have paid to issue conventional fixed-rate debt. The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

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

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of September 30, 2023, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of September 30, 2023, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁵
GP01B ²	08/02/01	4.1127%	67% of 1M Fallback Rate (SOFR) ¹	12/01/30	A+/Aa1
E021A ³	10/09/08	2.9800%	70% of 3M Fallback Rate (SOFR) ¹	06/01/32	AA-/Aa2
E071AB ³	05/31/07	3.7345%	70% of 3M Fallback Rate (SOFR) ¹	12/01/41	AA-/Aa2
E071BD ³	05/31/07	3.7200%	70% of 3M Fallback Rate (SOFR) ¹	12/01/41	A+/Aa2
E091A ³	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	A+/Aa2
E091B ³	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	AA-/Aa2
E091ABD ³	05/28/09	3.7400%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	A+/Aa2
SC19A ⁴	06/01/19	3.2220%	100% of 1M Fallback Rate (SOFR) ¹	12/01/29	A/A1

1. SOFR-Secured Overnight Finance Rate
2. Governmental Purpose Bonds
3. Home Mortgage Revenue Bonds

4. State Capital Project Bonds II
5. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of September 30, 2023, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Value		Change in Fair Value
			September 30, 2023	June 30, 2023	
GP01B	\$ 34,995	\$ 36,312	\$ (1,317)	\$ (1,782)	\$ 465
E021A	26,260	25,988	272	(135)	407
E071AB	121,320	126,962	(5,642)	(10,940)	5,298
E071BD	80,880	84,702	(3,822)	(7,279)	3,457
E091A	65,249	68,248	(2,999)	(5,679)	2,680
E091B	65,249	68,318	(3,069)	(5,679)	2,610
E091ABD	86,997	91,018	(4,021)	(7,519)	3,498
SC19A	140,000	131,048	8,952	4,915	4,037
	\$ 620,950	\$ 632,596	\$ (11,646)	\$ (34,098)	\$ 22,452

As of September 30, 2023, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June30	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2024	\$ 21,405	\$ 26,209	\$ (3,744)	\$ 43,870
2025	22,440	25,284	(3,712)	44,012
2026	23,495	24,413	(3,690)	44,218
2027	24,630	23,475	(3,666)	44,439
2028	25,820	22,532	(3,651)	44,701
2029-2033	271,075	69,972	(6,747)	334,300
2034-2038	134,850	33,668	(1,117)	167,401
2039-2043	97,235	6,829	(231)	103,832
	<u>\$ 620,950</u>	<u>\$ 232,382</u>	<u>\$ (26,558)</u>	<u>\$ 826,773</u>

Credit Risk

As of September 30, 2023, the Corporation was exposed to credit risk on its State Capital Project Bonds 2019 Series A and Home Mortgage Revenue Bonds 2002 Series A, to the extent of the swaps' fair values of \$8,952,000 & \$272,000 respectively, due to the values turning positive because of the increase in interest rates. The Corporation was not exposed to a credit risk on the rest of the swaps because these swaps all have negative fair values, or fair values equal to the notional amount. If interest rates rise and the fair value of the swaps becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties, and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The Corporation currently has swap agreements with five separate counterparties. Approximately 34.3% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa2," and 22.5% of the total notional amount of the swaps is held with another counterparty rated "A/A1." Of the remaining swaps, the counterparties are rated "A+/Aa2" and "A+/Aa1", approximating 10.5% and 5.6% respectively, of the total notional amount of the swaps.

Interest Rate Risk

The Corporation is exposed to interest rate risk on all of its interest rate swaps. As SOFR or the SIFMA index decreases, the Corporation's net payment on the swaps increases.

Basis Risk

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of September 30, 2023, the Corporation's interest rate swaps were based on the SOFR index, while its variable rate bonds were based on SOFR or SIFMA indexes.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so in response to then-current market conditions.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and the Corporation would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, the Corporation would be liable to the counterparty for payments equal to the swaps' fair value. The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of September 30, 2023, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	September 30, 2023
Accounts Payable	\$ 1,039
Accrued Payroll	6,711
Lease Liability	101
Other Miscellaneous Liabilities	811
Service Fees Payables	960
Unearned Grant Revenue	94,504
Total	\$ 104,126

13 LONG TERM LIABILITIES

The activity for the three months ended September 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2023	Additions	Reductions	September 30, 2023	Due Within One Year
Total bonds and notes payable	\$ 2,347,283	\$ 49,900	\$ (3,404)	\$ 2,393,779	\$ 100,555
Net Pension liability	35,286	-	-	35,286	-
Compensated absences	3,071	840	(799)	3,112	2,503
Other liabilities	1,636	87	(88)	1,635	101
Total long-term liabilities	\$ 2,387,276	\$ 50,827	\$ (4,291)	\$ 2,433,812	\$ 103,159

14 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the three months ended September 30, 2023, was 5.15% and the highest, 5.50%.

Short term debt activity for the three months ended September 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2023	Additions	Reductions	September 30, 2023
Commercial paper	\$ 129,642	\$ 85,719	\$ (129,642)	\$ 85,719
Unamortized discount	(1,166)	(1,753)	1,971	(948)
Commercial paper, net	\$ 128,476	\$ 83,966	\$ (127,671)	\$ 84,771

15 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. At September 30, 2023, AHFC recognized combined total deferred inflows of \$27,678,000 as follows:

- Other Post-Employment Benefits ("OPEB")-related deferred inflows totaled \$1,180,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience (\$203,000), b) the net effect of changes in actuarial assumptions (\$955,000) and c) changes in proportional contribution levels among participating employers (\$22,000).
- Lease-related deferred inflows totaled \$17,275,000, including one or more leases with local charitable organizations (\$74,000) and/or with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing (\$3,262,000), and Pacillo Garage (\$13,939,000).
- Derivatives-related deferred inflows totaled \$9,223,000.

16 TRANSFERS

Transfers for the three months ended September 30, 2023, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative Fund	\$ -	\$ -	\$ 106,230	\$ -	\$ -	\$ 106,230
Grant Programs	3,432	-	-	-	-	3,432
Mortgage or Bond Programs	119,728	-	-	-	-	119,728
Other Funds or Programs	735	-	-	-	-	735
Alaska Corporation for Affordable Housing	43	-	-	-	-	43
Total	\$ 123,938	\$ -	\$ 106,230	\$ -	\$ -	\$ 230,168

Transfers are used to:

- (1) move cash between the Administrative Fund and the Mortgage or Bond Programs to subsidize debt service payments or satisfy bond indenture requirements;
- (2) move mortgages between the Administrative Fund and the Mortgage or Bond Programs;
- (3) record expenditures paid on behalf of the Grant Programs, the Mortgage or Bond Programs, and the Other Funds or Programs by the Administrative Fund;
- (4) move cash and mortgages between various Mortgage or Bond Programs; or
- (5) record any non-reimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

17 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarked tenders. In June 2022, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarked tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A. Also in June 2022, the Corporation entered into a \$200 million standby LOC ("S-LOC") to further secure debt issued under the Corporation's State Capital Project Bonds II indenture and its Commercial Paper Notes program.

At September 30, 2023, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
2002 Series A Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	\$ 26,260
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	202,200
2009 Series A Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series B Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	72,495
2001 Series A & B Governmental Purpose Bonds	SBPA	A-1+	P-1	63,635
2022 State Capital Project Bonds II	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & Commercial Paper	S-LOC	A-1	P-1	200,000
Total				\$ 909,590

18 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned. As of September 30, 2023, no rebate liability exists and no rebate payments are due to the Internal Revenue Service.

19 STATE AUTHORIZATIONS AND COMMITMENTS

The Corporation uses its assets to fund certain housing and non-housing capital projects identified by the State. The aggregate amount expected to be funded by the Corporation was expressed by the following language of legislative intent included in the fiscal year 1996 capital appropriation bill, enacted in 1995.

"The Legislature intends to ensure the prudent management of the Alaska Housing Finance Corporation to protect its excellent debt rating by the nation's financial community and to preserve its valuable assets of the State. To accomplish its goal, the sum of withdrawals for transfer to the general fund and for expenditure on corporate funded capital projects should not exceed the Corporation's net income for the preceding fiscal year."

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of September 30, 2023, (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	510,557	(503,542)	7,015
State of Alaska Capital Projects	294,915	(261,820)	33,095
AHFC Capital Projects	637,232	(544,913)	92,319
Total	\$ 2,242,218	\$ (2,100,155)	\$ 142,063

Transfer Plan with the State

The 1998 Legislature authorized the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan. That legislation also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The 2000 Legislature adopted legislation authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008. The 2002 Legislature authorized the issuance of capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities. The 2004 Legislature adopted legislation authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of bonds under the State Capital Project agreement pursuant to the 2004 Act, and has completed its issuance authority under the Acts. The payment of principal and interest on these bonds will be included in future capital budgets of the Corporation. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan.

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the

Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

20 HOUSING GRANTS AND SUBSIDIES EXPENSES

The grant programs are funded from HUD, federal, State and Corporate proceeds. The Corporation paid grants to third parties for the following programs (in thousands):

	September 30, 2023
Beneficiaries and Special Needs Housing	\$ 150
Competitive Grants for Public Housing	28
Continuum of Care Homeless Assistance	337
COVID-19 American Rescue Plan Act - Homeless Assistance	1,634
COVID-19 American Rescue Plan Act - Homeowner Assistance	904
COVID-19 American Rescue Plan Act	203
Domestic Violence	353
Discharge Incentive grant	16
Emergency Housing Vouchers (EHV)	236
Emergency Shelter Grant (ESG)	904
Energy Efficient Weatherization	248
Foster Youth to Independence	21
HOME Investment Partnership	2,143
Homeless Assistance Program (HAP)	1,352
Housing Choice Vouchers	7,441
Housing Choice Voucher - Mainstream	102
Housing Loan Program	376
Housing Opportunities for Persons with AIDS	191
Housing Trust Fund	474
Low Income Weatherization Assistance	677
Low Income Home Energy Assistance	60
Non-Elderly Disabled (NED)	81
Parolees (TBRA)	60
Section 811 Rental Housing Assistance	110
Section 8 Rehabilitation	138
Senior Citizen Housing Development Grant	7
Supplemental Housing Grant	42
Veterans Affairs Supportive Housing	600
Victims of Human Trafficking	1
Youth (TBRA)	31
Total Housing Grants and Subsidies Expenses	\$ 18,920

A sum of \$13,000,000, from the Corporation's Moving to Work (MTW) Demonstration Program reserves in HUD, was transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$15,205,000, and committed to third parties a sum of \$63,529,000 in grant awards, as of September 30, 2023.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of September 30, 2023, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the State. Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by state legislature. Amendments do not affect existing employees.

PERS audited financial statements are available at www.doa.alaska.gov/drb.

Defined Benefit ("DB") Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

Employees hired prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service and for all service prior to July 1, 1986, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan pays the retiree medical plan premium and provides death and disability benefits.

Employees hired between July 1, 1986, and June 30, 1996, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees under the age of 60 unless the retiree has 30 years of credited service. The employee may elect to pay the full premium cost for medical coverage.

Employees hired between July 1, 1996, and June 30, 2006, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's five-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees with less than 10 years of service at age 60. The employee may elect to pay the full premium cost for medical coverage.

This plan was closed to new entrants as of June 30, 2006.

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2024, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 3.10%, the difference between the actuarial required contribution of 25.10% for fiscal year 2024 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the three months ended September 30, 2023, totaled \$429,000.

Pension Liability:

The pension liability for the three months ended September 30, 2023, is not available at this time.

For the year ended June 30, 2023, the Corporation reported a liability for its proportionate share of net pension liability of \$35,286,000. This amount reflected State pension support provided to the Corporation of \$9,767,000. The total net pension liability associated with the Corporation was \$45,053,000.

The net pension liability for the June 30, 2022 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Pension Income:

The pension income for the three months ended September 30, 2023, is not available at this time.

For the year ended June 30, 2023, the Corporation recognized pension income of \$1,152,000 and revenue of \$604,000 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Deferred outflows of resources and deferred inflow of resources related to Pensions for the three months ended September 30, 2023, are not available at this time.

For the year ended June 30, 2023, the Corporation's deferred outflows of resources related to pension expense of \$3,511,000 were due to a change in proportion and difference between employer contributions \$1,009,000 and contributions to the pension plan subsequent to the measurement date of \$2,502,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2024. The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2024	\$ 2,382	\$ -	\$ 2,382
2025	(307)	-	(307)
2026	(738)	-	(738)
2027	2,174	-	2,174
	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 3,511</u>

Pension Employer Contributions:

In 2023, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer PERS contributions	\$ 2,918,000	\$ 2,781,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2023, was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement.

The long-term expected rate of return on pension and OPEB plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plans investment expense and inflation) are developed for each major asset class. These ranged are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 47,502	\$ 35,286	\$ 24,985

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (Employees hired on or after July 1, 2006):

Employee Benefits:

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service.

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2024 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00%
Occupational Death and Disability Benefits (ODD)	0.30%
Retiree Medical	1.01%
Total OPEB	1.31%
Total Contribution Rates	6.31%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2024, 6.31% of covered salary is split between 5.00% for the pension plan and 1.31% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,302.56, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.48 per hour for

part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the three months ended September 30, 2023, the Corporation paid additional contributions of \$538,000. All of the contributions were for the defined benefit pension as of September 30, 2023.

The contributions to the pension plan for the three months ended September 30, 2023, by the employees totaled \$336,962 and by the Corporation totaled \$210,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the three months ended September 30, 2023, totaled \$55,000.

The Corporation contributed \$124,331 to a Health Reimbursement Arrangement for the three months ended September 30, 2023.

The Defined Contribution Pension and Post Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Other Post-Employment Benefits ("OPEB") Defined Benefit and Defined Contribution Plans

The Corporation's contributions to the defined benefit post-employment healthcare plan for the three months ended September 30, 2023, were zero dollars, and for the years ended June 30, 2023 and June 30, 2022, totaled zero dollars and \$569,000 respectively.

OPEB Employer Contribution Rate:

In 2023, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer contributions DB	\$ 585,000	\$ 727,000
Employer contributions DC RM	135,000	143,000
Employer contributions DC ODD	39,000	35,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 759,000	\$ 905,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2021 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (ARHT) per capita claims costs were updated to reflect recent experience.
2. For all of the plans the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

Healthcare cost trend model has been adopted by the Society of Actuaries, and has been populated with assumptions that are specific to the State of Alaska. The table below shows the rate used by actuaries to project the cost from the shown fiscal year to the next fiscal year.

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)
FY22	6.3%	5.4%	7.1%
FY23	6.1%	5.4%	6.8%
FY24	5.9%	5.4%	6.4%
FY25	5.8%	5.4%	6.1%
FY26	5.6%	5.4%	5.7%
FY27-FY40	5.4%	5.4%	5.4%
FY41	5.3%	5.3%	5.3%
FY42	5.2%	5.2%	5.2%
FY43	5.1%	5.1%	5.1%
FY44	5.1%	5.1%	5.1%
FY45	5.0%	5.0%	5.0%
FY46	4.9%	4.9%	4.9%
FY47	4.8%	4.8%	4.8%
FY48	4.7%	4.7%	4.7%
FY49	4.6%	4.6%	4.6%
FY50+	4.5%	4.5%	4.5%

Key Elements of OPEB formula:

Liability and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate, which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members, their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Post-employment healthcare benefits:

For DB plan major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986, (Tier 1) and disabled retirees. Employees hired after June 30, 1986, (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996, (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for post-employment healthcare benefits. Tier 2 members, who are receiving a conditional benefit and are age eligible, are eligible for post-employment healthcare benefits. Employees and their surviving spouses with thirty years of membership service receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Where premiums are required prior to age 60, the valuation bases this payment upon the age of the retiree.

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875%, respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

For the year ended June 30, 2023, the total net OPEB Asset associated with the Corporation was \$14,102,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2023, the Corporation reported an asset for its proportionate share of the net OPEB Asset ("NOA") that reflected an increase for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

Corporation's proportionate share Net OPEB Asset:	2023
Corporation's proportionate share of NOA – DB	\$ 13,530,000
Corporation's proportionate share of NOA – DC RM	277,000
Corporation's proportionate share of NOA – DC ODD	295,000
Total Net OPEB Asset	\$ 14,102,000

The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
Corporation's proportionate share of the net OPEB Asset:			
DB	0.78626%	0.68783%	(0.09843%)
DC RM	0.76797%	0.79810%	0.03013%
DC ODD	0.64746%	0.67357%	0.02611%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventive benefits for pre-Medicare participants will now be covered by the plan. There have been no other changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2023, the Corporation recognized a reduction of OPEB expense of \$3,575,000 and no support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2023, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,708	\$ -
Difference between expected and actual experience	14	(203)
Difference between projected and actual investment earnings	817	-
Changes in assumptions	54	(955)
Changes in proportion and differences between employer contributions	333	(22)
Total Deferred Outflows and Deferred Inflows	\$ 3,926	\$ (1,180)

Deferred outflows of resources related to OPEB resulting from contributions of \$2,708 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	Total
2024	\$ 2,118
2025	(330)
2026	(674)
2027	1,772
2028	(63)
Thereafter	(77)
	<u>\$ (2,746)</u>

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the Corporation's proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
DB plan	0.68763%	\$ (8,038)	\$ (13,530)	\$ (18,134)
DC RM plan	0.79810%	51	(277)	(527)
DC ODD plan	0.67357%	(278)	(295)	(309)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the Corporation's net OPEB liability using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.68763%	\$ (18,676)	\$ (13,530)	\$ (7,384)
DC RM plan	0.79810%	(562)	(277)	106
DC ODD plan	0.67357%	n/a	(295)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Postemployment Healthcare Cost:

The annual postemployment healthcare cost for the three months ended September 30, 2023 is not available at this time. For the year ended June 30, 2023, the Corporation recognized \$431,000 in DC OPEB costs. These amounts were recognized as expense.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$200,000 per employee per year. The Corporation provided an estimate of the incurred but not reported (IBNR) liability based on historic trends. Changes in the balances for the claims liabilities for the prior and current fiscal years are as follows (in thousands):

	June 30, 2023	September 30, 2023
Claims liabilities, beginning balance	\$ 1,809	\$ 3,013
Incurred claims	11,934	1,937
Claims payments	(10,730)	(2,046)
Claims liabilities, ending balance	\$ 3,013	\$ 2,904

Litigation

The Corporation, in the normal course of its activities, is involved in various claims and pending litigation, the outcome of which is not presently determinable. In the opinion of management, the disposition of these matters is not presently expected to have a material adverse effect on the Corporation's financial statements.

Contingent Liabilities

The Corporation participates in several federally assisted programs. These programs are subject to program compliance audits and adjustment by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, would become a liability of the Administrative Fund. In management's opinion, disallowance, if any, will be immaterial.

Subsequent Events

The Corporation delivered its \$99,995,000 State Capital Project Bonds II, 2023 Series A, on October 17, 2023. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2041, and paying interest each June 1 and December 1 at fixed rates ranging from 5.00% to 5.25%. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

23 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party with which the Corporation is doing business. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first in line in case of a loss. There have been no significant reductions in insurance coverage from the prior fiscal year, and settlements have not exceeded insurance coverage during the past three years.

24 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

After reviewing the principles outlined in GASB 96, it was determined that the Corporation does not have any subscription that match the criteria described in this statement for the three months ended September 30, 2023. As such, all subscriptions were determined by the Corporation to be immaterial for financial reporting, and all subscriptions were determined to be cancellable at any time by either party. Therefore, no assets or corresponding liabilities have been booked.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net Pension Liability (in thousands):

	2023	2022	2021	2020	2019
The Corporation's proportion of the net pension liability (asset)	0.692310%	0.783070%	0.629770%	0.656900%	0.714740%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,286	\$ 28,727	\$ 37,164	\$ 35,960	\$ 35,515
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,767	3,891	15,376	14,276	10,284
Total	\$ 45,053	\$ 32,618	\$ 52,540	\$ 50,236	\$ 45,799
The Corporation's covered employee payroll	\$ 8,888	\$ 9,602	\$ 10,681	\$ 11,680	\$ 12,583
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	397.02%	299.18%	347.94%	307.88%	282.24%
Plan fiduciary net position as a percentage of the total pension liability	67.97%	76.46%	61.61%	63.42%	65.19%
	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	13,285	6,003	10,856	22,644	26,434
Total	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 13,817	\$ 15,252	\$ 16,314	\$ 17,189	\$ 17,815
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	59.55%	63.96%	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the Pension Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,448	\$ 2,474	\$ 2,292	\$ 2,561	\$ 2,727
Contributions in relation to the contractually required contributions	3,448	2,474	2,292	2,561	2,727
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,948	8,888	9,602	10,681	11,680
Contributions as a percentage of covered-employee payroll	43.38%	27.83%	23.87%	23.98%	23.35%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This pension table presents 10 years of information.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands):

	2023	2022	2021	2020	2019
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68763%	0.78626%	0.62960%	0.65680%	0.71458%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.79810%	0.76797%	0.74451%	0.69949%	0.71095%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.67357%	0.64746%	0.60268%	0.55609%	0.71095%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,102)	\$ (20,661)	\$ (2,963)	\$ 1,007	\$ 7,286
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(3,868)	(2,642)	(1,183)	388	2,12
Total	<u>\$ (17,970)</u>	<u>\$ (23,303)</u>	<u>\$ (4,146)</u>	<u>\$ 1,395</u>	<u>\$ 9,415</u>
The Corporation's covered employee payroll	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890	\$ 20,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(65.14%)	(96.15%)	(14.21%)	4.82%	35.32%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	128.51%	135.54%	106.15%	98.13%	88.12%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	120.08%	115.10%	95.23%	83.17%	88.71%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.22%	283.80%	297.43%	270.62%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

– Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

– Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands) (cont.):

	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,173	-
Total	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

– Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

– Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the OPEB Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 623	\$ 1,609	\$ 1,712	\$ 1,520	\$ 1,434
Contributions in relation to the contractually required contributions	623	1,609	1,712	1,520	1,434
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	21,649	21,489	20,850	20,890	20,775
Contributions as a percentage of covered-employee payroll	2.88%	7.49%	8.21%	7.28%	6.90%

	2018	2017
Contractually required contributions	\$ 1,287	\$ 1,689
Contributions in relation to the contractually required contributions	1,287	1,689
Contribution deficiency (excess)	-	-
The Corporation's covered employee payroll	20,629	21,133
Contributions as a percentage of covered-employee payroll	6.24%	7.99%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of September 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 19,267	\$ -	\$ -	\$ -	\$ -
Investments	521,982	49,325	32,374	11,374	22,525
Lease receivable	-	-	-	-	-
Accrued interest receivable	2,415	1,973	2,151	424	407
Inter-fund due (to)/from	(108,294)	14,338	14,714	2,238	3,149
Mortgage loans, notes and other loans	10,373	19,697	21,664	3,698	4,720
Other assets	3,000	-	-	-	-
Intergovernmental receivable, net	90	-	-	-	-
Total current	448,833	85,333	70,903	17,734	30,801
Non current					
Investments	9,917	10,000	12,239	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	290,734	636,893	700,470	119,584	152,605
Capital assets - non-depreciable	2,482	-	-	-	-
Capital assets - depreciable, net	10,800	-	-	-	-
Other assets	2,977	272	-	-	911
OPEB asset	14,102	-	-	-	-
Total non current	331,012	647,165	712,709	119,584	153,516
Total assets	779,845	732,498	783,612	137,318	184,317
Deferred Outflow Of Resources	7,437	24,845	-	-	1,318
Liabilities					
Current					
Bonds payable	-	14,865	16,230	2,885	7,435
Short term debt	84,771	-	-	-	-
Accrued interest payable	-	3,662	6,740	754	616
Other liabilities	9,272	205	214	36	45
Intergovernmental payable	-	-	-	-	-
Total current	94,043	18,732	23,184	3,675	8,096
Non current					
Bonds payable	-	430,150	620,647	88,802	54,470
Other liabilities	1,648	-	-	-	-
Derivative instrument - interest rate swaps	-	19,553	-	-	1,317
Pension liability	35,286	-	-	-	-
Total non current	36,934	449,703	620,647	88,802	55,787
Total liabilities	130,977	468,435	643,831	92,477	63,883
Deferred Inflow Of Resources	1,180	272	-	-	-
Net Position					
Net investment in capital assets	13,282	-	-	-	-
Restricted by bond resolutions	-	288,636	139,781	44,841	121,752
Restricted by contractual or statutory agreements	152,144	-	-	-	-
Unrestricted or (deficit)	489,699	-	-	-	-
Total net position	\$ 655,125	\$ 288,636	\$ 139,781	\$ 44,841	\$ 121,752

Combined State Capital Project Bonds	Combined Other Programs	Total September 30, 2023
\$ 57	\$ 54,162	\$ 73,486
42,059	6,801	686,440
2,536	3,456	5,992
5,057	224	12,651
24,775	49,080	-
38,947	1,305	100,404
-	17,136	20,136
-	10,929	11,019
113,431	143,093	910,128
-	-	32,156
12,820	-	12,820
-	-	-
1,259,281	67,617	3,227,184
-	18,817	21,299
-	38,436	49,236
8,952	335	13,447
-	-	14,102
1,281,053	125,205	3,370,244
1,394,484	268,298	4,280,372
18,109	-	51,709
59,140	-	100,555
-	-	84,771
16,766	-	28,538
385	93,969	104,126
57	1	58
76,348	93,970	318,048
1,099,155	-	2,293,224
-	494	2,142
-	-	20,870
-	-	35,286
1,099,155	494	2,351,522
1,175,503	94,464	2,669,570
22,890	3,336	27,678
-	57,253	70,535
-	-	595,010
-	131,581	283,725
214,200	(18,336)	685,563
\$ 214,200	\$ 170,498	\$ 1,634,833

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

ADMINISTRATIVE FUND

As of September 30, 2023

(in thousands of dollars)

Schedule 2

	Administrative Fund
Assets	
Current	
Cash	\$ 19,267
Investments	521,982
Lease receivable	-
Accrued interest receivable	2,415
Inter-fund due (to)/from	(108,294)
Mortgage loans, notes and other loans	10,373
Other assets	3,000
Intergovernmental receivable, net	90
Total current	448,833
Non current	
Investments	9,917
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	290,734
Capital assets - non-depreciable	2,482
Capital assets - depreciable, net	10,800
Other assets	2,977
OPEB asset	14,102
Total non current	331,012
Total assets	779,845
Deferred Outflow Of Resources	7,437
Liabilities	
Current	
Bonds payable	-
Short term debt	84,771
Accrued interest payable	-
Other liabilities	9,272
Intergovernmental payable	-
Total current	94,043
Non current	
Bonds payable	-
Other liabilities	1,648
Derivative instrument - interest rate swaps	-
Pension liability	35,286
Total non current	36,934
Total liabilities	130,977
Deferred Inflow Of Resources	1,180
Net Position	
Net investment in capital assets	13,282
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	152,144
Unrestricted or (deficit)	489,699
Total net position	\$ 655,125

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

HOME MORTGAGE REVENUE BONDS

As of September 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	4,717	4,248	3,785	5,581	6,892
Lease receivable	-	-	-	-	-
Accrued interest receivable	180	211	176	275	276
Inter-fund due (to)/from	1,963	1,036	2,337	1,160	2,588
Mortgage loans, notes and other loans	1,784	2,012	1,872	2,706	3,154
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	8,644	7,507	8,170	9,722	12,910
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	57,670	65,045	60,530	87,510	101,982
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	272	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	57,942	65,045	60,530	87,510	101,982
Total assets	66,586	72,552	68,700	97,232	114,892
Deferred Outflow Of Resources	-	3,864	3,868	4,691	4,122
Liabilities					
Current					
Bonds payable	-	2,145	2,145	2,555	2,670
Short term debt	-	-	-	-	-
Accrued interest payable	225	517	514	620	595
Other liabilities	19	23	19	29	30
Intergovernmental payable	-	-	-	-	-
Total current	244	2,685	2,678	3,204	3,295
Non current					
Bonds payable	25,320	61,215	61,215	72,925	69,830
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	2,946	2,950	3,567	3,335
Pension liability	-	-	-	-	-
Total non current	25,320	64,161	64,165	76,492	73,165
Total liabilities	25,564	66,846	66,843	79,696	76,460
Deferred Inflow Of Resources	272	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	40,750	9,570	5,725	22,227	42,554
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 40,750	\$ 9,570	\$ 5,725	\$ 22,227	\$ 42,554

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total September 30, 2023
\$ -	\$ -	\$ -
6,825	17,277	49,325
-	-	-
358	497	1,973
1,750	3,504	14,338
3,530	4,639	19,697
-	-	-
-	-	-
12,463	25,917	85,333
-	10,000	10,000
-	-	-
-	-	-
114,150	150,006	636,893
-	-	-
-	-	-
-	-	272
-	-	-
114,150	160,006	647,165
126,613	185,923	732,498
4,192	4,108	24,845
2,670	2,680	14,865
-	-	-
595	596	3,662
37	48	205
-	-	-
3,302	3,324	18,732
69,830	69,815	430,150
-	-	-
3,405	3,350	19,553
-	-	-
73,235	73,165	449,703
76,537	76,489	468,435
-	-	272
-	-	-
54,268	113,542	288,636
-	-	-
-	-	-
\$ 54,268	\$ 113,542	\$ 288,636

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
GENERAL MORTGAGE REVENUE BONDS

As of September 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	2,045	3,708	4,833	14,794	5,399
Lease receivable	-	-	-	-	-
Accrued interest receivable	141	187	336	638	503
Inter-fund due (to)/from	1,413	1,700	3,432	3,716	3,459
Mortgage loans, notes and other loans	1,718	1,899	3,577	6,565	5,274
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	5,317	7,494	12,178	25,713	14,635
Non current					
Investments	-	-	-	12,239	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	55,545	61,410	115,670	212,254	170,516
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	55,545	61,410	115,670	224,493	170,516
Total assets	60,862	68,904	127,848	250,206	185,151
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,470	1,980	3,750	3,960	840
Short term debt	-	-	-	-	-
Accrued interest payable	345	819	1,062	1,722	1,404
Other liabilities	15	18	35	60	56
Intergovernmental payable	-	-	-	-	-
Total current	4,830	2,817	4,847	5,742	2,300
Non current					
Bonds payable	36,208	59,374	108,830	193,623	133,729
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	36,208	59,374	108,830	193,623	133,729
Total liabilities	41,038	62,191	113,677	199,365	136,029
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	19,824	6,713	14,171	50,841	49,122
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 19,824	\$ 6,713	\$ 14,171	\$ 50,841	\$ 49,122

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	Total September 30, 2023
\$ -	\$ -
1,595	32,374
-	-
346	2,151
994	14,714
2,631	21,664
-	-
-	-
5,566	70,903
-	12,239
-	-
-	-
85,075	700,470
-	-
-	-
-	-
-	-
85,075	712,709
90,641	783,612
-	-
1,230	16,230
-	-
1,388	6,740
30	214
-	-
2,648	23,184
88,883	620,647
-	-
-	-
-	-
88,883	620,647
91,531	643,831
-	-
-	-
(890)	139,781
-	-
-	-
\$ (890)	\$ 139,781

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

As of September 30, 2023

(in thousands of dollars)

Schedule 5

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total September 30, 2023
Assets				
Current				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	2,769	4,002	4,603	11,374
Lease receivable	-	-	-	-
Accrued interest receivable	75	143	206	424
Inter-fund due (to)/from	355	1,044	839	2,238
Mortgage loans, notes and other loans	863	1,498	1,337	3,698
Other assets	-	-	-	-
Intergovernmental receivable, net	-	-	-	-
Total current	4,062	6,687	6,985	17,734
Non current				
Investments	-	-	-	-
Lease receivable	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans	27,906	48,435	43,243	119,584
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total non current	27,906	48,435	43,243	119,584
Total assets	31,968	55,122	50,228	137,318
Deferred Outflow Of Resources	-	-	-	-
Liabilities				
Current				
Bonds payable	2,045	840	-	2,885
Short term debt	-	-	-	-
Accrued interest payable	210	163	381	754
Other liabilities	7	14	15	36
Intergovernmental payable	-	-	-	-
Total current	2,262	1,017	396	3,675
Non current				
Bonds payable	23,990	14,912	49,900	88,802
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Pension liability	-	-	-	-
Total non current	23,990	14,912	49,900	88,802
Total liabilities	26,252	15,929	50,296	92,477
Deferred Inflow Of Resources	-	-	-	-
Net Position				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	5,716	39,193	(68)	44,841
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total net position	\$ 5,716	\$ 39,193	\$ (68)	\$ 44,841

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of September 30, 2023

(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B
Assets	
Current	
Cash	\$ -
Investments	22,525
Lease receivable	-
Accrued interest receivable	407
Inter-fund due (to)/from	3,149
Mortgage loans, notes and other loans	4,720
Other assets	-
Intergovernmental receivable, net	-
Total current	30,801
Non current	
Investments	-
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	152,605
Capital assets - non-depreciable	-
Capital assets - depreciable, net	-
Other assets	911
OPEB asset	-
Total non current	153,516
Total assets	184,317
Deferred Outflow Of Resources	1,318
Liabilities	
Current	
Bonds payable	7,435
Short term debt	-
Accrued interest payable	616
Other liabilities	45
Intergovernmental payable	-
Total current	8,096
Non current	
Bonds payable	54,470
Other liabilities	-
Derivative instrument - interest rate swaps	1,317
Pension liability	-
Total non current	55,787
Total liabilities	63,883
Deferred Inflow Of Resources	-
Net Position	
Net investment in capital assets	-
Restricted by bond resolutions	121,752
Restricted by contractual or statutory agreements	-
Unrestricted or (deficit)	-
Total net position	\$ 121,752

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**STATE CAPITAL PROJECT BONDS**

As of September 30, 2023

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds II	Total September 30, 2023
Assets		
Current		
Cash	\$ 57	\$ 57
Investments	42,059	42,059
Lease receivable	2,536	2,536
Accrued interest receivable	5,057	5,057
Inter-fund due (to)/from	24,775	24,775
Mortgage loans, notes and other loans	38,947	38,947
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current	113,431	113,431
Non current		
Investments	-	-
Lease receivable	12,820	12,820
Inter-fund due (to)/from	-	-
Mortgage loans, notes and other loans	1,259,281	1,259,281
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	8,952	8,952
OPEB asset	-	-
Total non current	1,281,053	1,281,053
Total assets	1,394,484	1,394,484
Deferred Outflow Of Resources	18,109	18,109
Liabilities		
Current		
Bonds payable	59,140	59,140
Short term debt	-	-
Accrued interest payable	16,766	16,766
Other liabilities	385	385
Intergovernmental payable	57	57
Total current	76,348	76,348
Non current		
Bonds payable	1,099,155	1,099,155
Other liabilities	-	-
Derivative instrument - interest rate swaps	-	-
Pension liability	-	-
Total non current	1,099,155	1,099,155
Total liabilities	1,175,503	1,175,503
Deferred Inflow Of Resources	22,890	22,890
Net Position		
Net investment in capital assets	-	-
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	214,200	214,200
Total net position	\$ 214,200	\$ 214,200

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of September 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 19,766	\$ 14,509	\$ -	\$ -	\$ 34,275
Investments	-	-	1,432	5,369	6,801
Lease receivable	83	-	-	-	83
Accrued interest receivable	-	-	29	91	120
Inter-fund due (to)/from	(3,331)	(1,548)	147	1,762	(2,970)
Mortgage loans, notes and other loans	-	-	362	910	1,272
Other assets	1,098	97	-	-	1,195
Intergovernmental receivable, net	1,001	(7)	-	-	994
Total current	18,617	13,051	1,970	8,132	41,770
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	-	-	11,694	29,416	41,110
Capital assets - non-depreciable	12,947	1,130	-	-	14,077
Capital assets - depreciable, net	28,683	9,577	-	-	38,260
Other assets	22	8	-	-	30
OPEB asset	-	-	-	-	-
Total non current	41,652	10,715	11,694	29,416	93,477
Total assets	60,269	23,766	13,664	37,548	135,247
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	857	226	3	8	1,094
Intergovernmental payable	-	1	-	-	1
Total current	857	227	3	8	1,095
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	6	3	-	-	9
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	6	3	-	-	9
Total liabilities	863	230	3	8	1,104
Deferred Inflow Of Resources	74	-	-	-	74
Net Position					
Net investment in capital assets	41,630	10,707	-	-	52,337
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	18,529	13,053	13,661	37,540	82,783
Unrestricted or (deficit)	(827)	(224)	-	-	(1,051)
Total net position	\$ 59,332	\$ 23,536	\$ 13,661	\$ 37,540	\$ 134,069

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ 768	\$ 3,412	\$ 3	\$ 6,317	\$ 10,500	\$ 9,387	\$ 54,162
-	-	-	-	-	-	6,801
-	-	-	-	-	3,373	3,456
-	-	-	-	-	104	224
377	(11,163)	(11,283)	74,180	52,111	(61)	49,080
-	-	33	-	33	-	1,305
691	654	5,219	9,294	15,858	83	17,136
914	46	8,975	-	9,935	-	10,929
2,750	(7,051)	2,947	89,791	88,437	12,886	143,093
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	967	-	967	25,540	67,617
-	-	-	-	-	4,740	18,817
-	176	-	-	176	-	38,436
-	304	-	-	304	1	335
-	-	-	-	-	-	-
-	480	2,390	-	2,870	28,858	125,205
2,750	(6,571)	5,337	89,791	91,307	41,744	268,298
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34	368	53	91,814	92,269	606	93,969
-	-	-	-	-	-	1
34	368	53	91,814	92,269	606	93,970
-	-	-	-	-	-	-
-	265	-	-	265	220	494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	265	-	-	265	220	494
34	633	53	91,814	92,534	826	94,464
-	-	-	-	-	3,262	3,336
-	176	-	-	176	4,740	57,253
-	-	-	-	-	-	-
4,351	4,395	7,082	17	15,845	32,953	131,581
(1,635)	(11,775)	(1,798)	(2,040)	(17,248)	(37)	(18,336)
\$ 2,716	\$ (7,204)	\$ 5,284	\$ (2,023)	\$ (1,227)	\$ 37,656	\$ 170,498

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Year Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 954	\$ 6,081	\$ 6,688	\$ 1,484	\$ 1,205
Investment interest	5,600	171	198	112	61
Net change in the fair value of investments	1,647	466	178	27	257
Net change of hedge termination	-	-	-	-	-
Total investment revenue	7,247	637	376	139	318
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	2	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	451	-	-	-	6
Total operating revenues	8,654	6,718	7,064	1,623	1,529
Operating expenses					
Interest	1,431	2,533	4,079	656	477
Mortgage and loan costs	955	614	645	109	131
Bond financing expenses	115	214	15	660	37
Provision for loan loss	(2,998)	(149)	(159)	557	(37)
Operations and administration	4,609	269	338	34	66
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	4,112	3,481	4,918	2,016	674
Operating income (loss)	4,542	3,237	2,146	(393)	855
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(1,121)	-	-	-	-
Interfund receipts (payments) for operations	(17,708)	484	167	12,376	(161)
Change in net position	(14,287)	3,721	2,313	11,983	694
Net position at beginning of year	669,412	284,915	137,468	32,858	121,058
Net position at end of period	\$ 655,125	\$ 288,636	\$ 139,781	\$ 44,841	\$ 121,752

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total September 30, 2023
\$ 15,152	\$ 382	\$ 31,946
1,700	270	8,112
(371)	-	2,204
-	-	-
1,329	270	10,316
-	17,683	17,683
-	3,287	3,287
-	3,105	3,107
-	28	28
-	200	657
16,481	24,955	67,024
11,751	-	20,927
910	35	3,399
313	-	1,354
353	579	(1,854)
402	7,301	13,019
-	3,555	3,555
-	18,920	18,920
13,729	30,390	59,320
2,752	(5,435)	7,704
-	-	(1,121)
632	4,210	-
3,384	(1,225)	6,583
210,816	171,723	1,628,250
\$ 214,200	\$ 170,498	\$ 1,634,833

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**ADMINISTRATIVE FUND**

For the Year Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund
Operating Revenues	
Mortgage and loan revenue	\$ 954
Investment interest	5,600
Net change in the fair value of investments	1,647
Net change of hedge termination	-
Total investment revenue	<u>7,247</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	2
Gain on disposal of capital assets	-
Other revenue	451
Total operating revenues	<u>8,654</u>
Operating expenses	
Interest	1,431
Mortgage and loan costs	955
Bond financing expenses	115
Provision for loan loss	(2,998)
Operations and administration	4,609
Rental housing operating expenses	-
Grant expense	-
Total operating expenses	<u>4,112</u>
Operating income (loss)	<u>4,542</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	(1,121)
Interfund receipts (payments) for operations	<u>(17,708)</u>
Change in net position	(14,287)
Net position at beginning of year	<u>669,412</u>
Net position at end of period	<u>\$ 655,125</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**HOME MORTGAGE REVENUE BONDS**

For the Year Ended September 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 615	\$ 642	\$ 601	\$ 836	\$ 911
Investment interest	27	19	30	25	38
Net change in the fair value of investments	47	40	37	45	62
Net change of hedge termination	-	-	-	-	-
Total investment revenue	74	59	67	70	100
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	689	701	668	906	1,011
Operating expenses					
Interest	195	355	352	427	401
Mortgage and loan costs	63	65	58	85	96
Bond financing expenses	20	47	44	56	2
Provision for loan loss	(18)	(11)	(23)	(13)	(29)
Operations and administration	37	28	24	35	39
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	297	484	455	590	509
Operating income (loss)	392	217	213	316	502
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	58	76	69	91	40
Change in net position	450	293	282	407	542
Net position at beginning of year	40,300	9,277	5,443	21,820	42,012
Net position at end of period	\$ 40,750	\$ 9,570	\$ 5,725	\$ 22,227	\$ 42,554

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total September 30, 2023
\$ 1,032	\$ 1,444	\$ 6,081
29	3	171
63	172	466
-	-	-
92	175	637
-	-	-
-	-	-
-	-	-
-	-	-
1,124	1,619	6,718
401	402	2,533
103	144	614
2	43	214
(19)	(36)	(149)
42	64	269
-	-	-
-	-	-
529	617	3,481
595	1,002	3,237
-	-	-
44	106	484
639	1,108	3,721
53,629	112,434	284,915
\$ 54,268	\$ 113,542	\$ 288,636

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**GENERAL MORTGAGE REVENUE BONDS**

For the Year Ended September 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 485	\$ 653	\$ 1,100	\$ 1,756	\$ 1,608
Investment interest	26	28	54	12	54
Net change in the fair value of investments	7	27	29	93	22
Net change of hedge termination	-	-	-	-	-
Total investment revenue	33	55	83	105	76
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	518	708	1,183	1,861	1,684
Operating expenses					
Interest	255	511	685	948	663
Mortgage and loan costs	53	61	109	183	165
Bond financing expenses	1	1	3	5	3
Provision for loan loss	(17)	(20)	(34)	(48)	(35)
Operations and administration	31	37	63	101	66
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	323	590	826	1,189	862
Operating income (loss)	195	118	357	672	822
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	32	38	65	(78)	69
Change in net position	227	156	422	594	891
Net position at beginning of year	19,597	6,557	13,749	50,247	48,231
Net position at end of period	\$ 19,824	\$ 6,713	\$ 14,171	\$ 50,841	\$ 49,122

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total September 30, 2023	
\$	1,086	\$	6,688
	24		198
	-		178
	-		-
	24		376
	-		-
	-		-
	-		-
	-		-
	1,110		7,064
	1,017		4,079
	74		645
	2		15
	(5)		(159)
	40		338
	-		-
	-		-
	1,128		4,918
	(18)		2,146
	-		-
	41		167
	23		2,313
	(913)		137,468
\$	(890)	\$	139,781

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 13

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended September 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total September 30, 2023
Operating Revenues				
Mortgage and loan revenue	\$ 232	\$ 492	\$ 760	\$ 1,484
Investment interest	33	29	50	112
Net change in the fair value of investments	-	28	(1)	27
Net change of hedge termination	-	-	-	-
Total investment revenue	33	57	49	139
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Other revenue	-	-	-	-
Total operating revenues	265	549	809	1,623
Operating expenses				
Interest	158	117	381	656
Mortgage and loan costs	20	43	46	109
Bond financing expenses	1	-	659	660
Provision for loan loss	(8)	115	450	557
Operations and administration	9	16	9	34
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total operating expenses	180	291	1,545	2,016
Operating income (loss)	85	258	(736)	(393)
Non-operating expenses and transfers				
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	10	11,698	668	12,376
Change in net position	95	11,956	(68)	11,983
Net position at beginning of year	5,621	27,237	-	32,858
Net position at end of period	\$ 5,716	\$ 39,193	\$ (68)	\$ 44,841

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 14

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended September 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Operating Revenues	
Mortgage and loan revenue	\$ 1,205
Investment interest	61
Net change in the fair value of investments	257
Net change of hedge termination	-
Total investment revenue	318
Grant revenue	-
Housing rental subsidies	-
Rental revenue	-
Gain on disposal of capital assets	-
Other revenue	6
Total operating revenues	1,529
Operating expenses	
Interest	477
Mortgage and loan costs	131
Bond financing expenses	37
Provision for loan loss	(37)
Operations and administration	66
Rental housing operating expenses	-
Grant expense	-
Total operating expenses	674
Operating income (loss)	855
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	-
Interfund receipts (payments) for operations	(161)
Change in net position	694
Net position at beginning of year	121,058
Net position at end of period	\$ 121,752

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 15

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**STATE CAPITAL PROJECT BONDS**

For the Year Ended September 30, 2023

(in thousands of dollars)

	State Capital Project Bonds II	Total September 30, 2023
Operating Revenues		
Mortgage and loan revenue	\$ 15,152	\$ 15,152
Investment interest	1,700	1,700
Net change in the fair value of investments	(371)	(371)
Net change of hedge termination	-	-
Total investment revenue	1,329	1,329
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Gain on disposal of capital assets	-	-
Other revenue	-	-
Total operating revenues	16,481	16,481
Operating expenses		
Interest	11,751	11,751
Mortgage and loan costs	910	910
Bond financing expenses	313	313
Provision for loan loss	353	353
Operations and administration	402	402
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	13,729	13,729
Operating income (loss)	2,752	2,752
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	632	632
Change in net position	3,384	3,384
Net position at beginning of year	210,816	210,816
Net position at end of period	\$ 214,200	\$ 214,200

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OTHER PROGRAM FUNDS

For the Year Ended September 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 61	\$ 285	\$ 346
Investment interest	95	78	19	77	269
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	-	-	-	-	-
Total investment revenue	95	78	19	77	269
Grant revenue	1,109	-	-	-	1,109
Housing rental subsidies	2,727	560	-	-	3,287
Rental revenue	2,479	609	-	-	3,088
Gain on disposal of capital assets	23	-	-	-	23
Other revenue	-	-	-	-	-
Total operating revenues	6,433	1,247	80	362	8,122
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	7	28	35
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	(2)	(26)	(28)
Operations and administration	3,243	794	4	12	4,053
Rental housing operating expenses	3,117	435	-	-	3,552
Grant expense	-	-	-	-	-
Total operating expenses	6,360	1,229	9	14	7,612
Operating income (loss)	73	18	71	348	510
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	708	10	5	12	735
Change in net position	781	28	76	360	1,245
Net position at beginning of year	58,551	23,508	13,585	37,180	132,824
Net position at end of period	\$ 59,332	\$ 23,536	\$ 13,661	\$ 37,540	\$ 134,069

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ 382
-	-	-	-	-	1	270
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1	270
691	9,525	3,566	2,792	16,574	-	17,683
-	-	-	-	-	-	3,287
-	-	-	-	-	17	3,105
-	5	-	-	5	-	28
-	1	198	1	200	-	200
691	9,531	3,764	2,793	16,779	54	24,955
-	-	-	-	-	-	-
-	-	-	-	-	-	35
-	-	-	-	-	-	-
-	-	-	-	-	607	579
498	1,612	851	235	3,196	52	7,301
1	1	-	-	2	1	3,555
984	9,061	6,133	2,742	18,920	-	18,920
1,483	10,674	6,984	2,977	22,118	660	30,390
(792)	(1,143)	(3,220)	(184)	(5,339)	(606)	(5,435)
-	-	-	-	-	-	-
793	75	2,565	(1)	3,432	43	4,210
1	(1,068)	(655)	(185)	(1,907)	(563)	(1,225)
2,715	(6,136)	5,939	(1,838)	680	38,219	171,723
\$ 2,716	\$ (7,204)	\$ 5,284	\$ (2,023)	\$ (1,227)	\$ 37,656	\$ 170,498

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,674	\$ 3,692	\$ 4,055	\$ 566	\$ 722
Principal receipts on mortgages and loans	8,565	9,444	12,097	2,663	2,652
Disbursements to fund mortgages and loans	(170,342)	-	-	-	-
Receipts (payments) for interfund loan transfers	105,729	216	196	(46,141)	-
Mortgage and loan proceeds receipts	107,350	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(68,416)	-	-	-	-
Payroll-related disbursements	(6,388)	-	-	-	-
Payments for goods and services	(16,030)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(12,475)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	6,061	-	-	-	-
Net cash receipts (disbursements)	(44,272)	13,352	16,348	(42,912)	3,374
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	50,061	-
Payment of bond issuance costs	-	-	-	(659)	-
Proceeds from short-term debt issuance	84,506	-	-	-	-
Payment of short term debt	(129,642)	-	-	-	-
Contributions to State of Alaska or State agencies	(1,121)	-	-	-	-
Transfers from (to) other funds	502	-	-	(502)	-
Net cash receipts (disbursements)	(45,755)	-	-	48,900	-
Capital financing activities					
Acquisition of capital assets	(34)	-	-	-	-
Proceeds from the disposal of capital assets	5	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Net cash receipts (disbursements)	(29)	-	-	-	-
Investing activities					
Purchase of investments	(1,158,891)	(13,557)	(16,688)	(7,061)	(3,427)
Proceeds from maturity of investments	1,235,263	-	-	1,000	-
Interest received from investments	5,244	205	340	73	53
Net cash receipts (disbursements)	81,616	(13,352)	(16,348)	(5,988)	(3,374)
Net Increase (decrease) in cash	(8,440)	-	-	-	-
Cash at beginning of year	27,707	-	-	-	-
Cash at end of period	\$ 19,267	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds		Combined Other Programs	Total September 30, 2023
\$	9,238	\$ 218	\$ 20,165
	15,890	1,605	52,916
	-	-	(170,342)
	(60,000)	-	-
	-	-	107,350
	-	-	(68,416)
	-	(4,268)	(10,656)
	-	(4,090)	(20,120)
	-	10,796	10,796
	-	8,036	8,036
	-	(8,954)	(8,954)
	-	12,475	-
	-	(14,677)	(14,677)
	(109)	2,883	8,835
	(34,981)	4,024	(85,067)
	-	-	50,061
	-	-	(659)
	-	-	84,506
	-	-	(129,642)
	-	-	(1,121)
	-	-	-
	-	-	3,145
	-	(576)	(610)
	-	28	33
	-	-	-
	-	(548)	(577)
	(100,292)	(1,896)	(1,301,812)
	133,951	-	1,370,214
	1,213	250	7,378
	34,872	(1,646)	75,780
	(109)	1,830	(6,719)
	166	52,332	80,205
\$	57	\$ 54,162	\$ 73,486

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 4,542	\$ 3,237	\$ 2,146	\$ (393)	\$ 855
<i>Adjustments:</i>					
Depreciation expense	236	-	-	-	-
Provision for loan loss	(2,998)	(149)	(159)	557	(37)
Net change in the fair value of investments	(1,647)	(466)	(178)	(27)	(257)
Interfund receipts (payments) for operations	(17,708)	484	167	12,376	(161)
Interest received from investments	(5,244)	(205)	(340)	(73)	(53)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(44,968)	14,711	15,747	(55,197)	3,653
Net increase (decrease) in assets, liabilities, and deferred resources	23,515	(4,260)	(1,035)	(155)	(626)
Net operating cash receipts (disbursements)	\$ (44,272)	\$ 13,352	\$ 16,348	\$ (42,912)	\$ 3,374

See accompanying notes to the financial statements.

Combined State Capital Project Bonds		Combined Other Programs	Total September 30, 2023
\$	2,752	\$ (5,435)	\$ 7,704
	-	1,380	1,616
	353	579	(1,854)
	371	-	(2,204)
	632	4,210	-
	(1,213)	(250)	(7,378)
	-	-	-
	(35,728)	3,437	(98,345)
	(2,148)	103	15,394
\$	(34,981)	\$ 4,024	\$ (85,067)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Administrative Fund
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 1,674
Principal receipts on mortgages and loans	8,565
Disbursements to fund mortgages and loans	(170,342)
Receipts (payments) for interfund loan transfers	105,729
Mortgage and loan proceeds receipts	107,350
Mortgage and loan proceeds paid to trust funds	(68,416)
Payroll-related disbursements	(6,388)
Payments for goods and services	(16,030)
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	(12,475)
Grant payments to other agencies	-
Other operating cash receipts (payments)	6,061
Net cash receipts (disbursements)	(44,272)
Non-capital financing activities	
Proceeds from bond issuance	-
Payment of bond issuance costs	-
Proceeds from short-term debt issuance	84,506
Payment of short term debt	(129,642)
Contributions to State of Alaska or State agencies	(1,121)
Transfers from (to) other funds	502
Net cash receipts (disbursements)	(45,755)
Capital financing activities	
Acquisition of capital assets	(34)
Proceeds from the disposal of capital assets	5
Payment of bond issuance costs	-
Net cash receipts (disbursements)	(29)
Investing activities	
Purchase of investments	(1,158,891)
Proceeds from maturity of investments	1,235,263
Interest received from investments	5,244
Net cash receipts (disbursements)	81,616
Net Increase (decrease) in cash	(8,440)
Cash at beginning of year	27,707
Cash at end of period	\$ 19,267

	Administrative Fund
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 4,542
<i>Adjustments:</i>	
Depreciation expense	236
Provision for loan loss	(2,998)
Net change in the fair value of investments	(1,647)
Interfund receipts (payments) for operations	(17,708)
Interest received from investments	(5,244)
Interest paid on bonds and capital notes	-
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	(44,968)
Net increase (decrease) in assets, liabilities, and deferred resources	23,515
Net operating cash receipts (disbursements)	\$ (44,272)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 383	\$ 388	\$ 367	\$ 509	\$ 545
Principal receipts on mortgages and loans	674	813	443	1,636	1,623
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	129	-	-
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	1,057	1,201	939	2,145	2,168
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(1,065)	(1,210)	(946)	(2,160)	(2,183)
Proceeds from maturity of investments	-	-	-	-	-
Interest received from investments	8	9	7	15	15
Net cash receipts (disbursements)	(1,057)	(1,201)	(939)	(2,145)	(2,168)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total September 30, 2023
\$ 624	\$ 876	\$ 3,692
1,333	2,922	9,444
-	-	-
85	2	216
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,042</u>	<u>3,800</u>	<u>13,352</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(2,056)	(3,937)	(13,557)
-	-	-
14	137	205
<u>(2,042)</u>	<u>(3,800)</u>	<u>(13,352)</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**HOME MORTGAGE REVENUE BONDS**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 392	\$ 217	\$ 213	\$ 316	\$ 502
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(18)	(11)	(23)	(13)	(29)
Net change in the fair value of investments	(47)	(40)	(37)	(45)	(62)
Interfund receipts (payments) for operations	58	76	69	91	40
Interest received from investments	(8)	(9)	(7)	(15)	(15)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	1,827	1,088	2,305	1,289	2,829
Net increase (decrease) in assets, liabilities, and deferred resources	(1,147)	(120)	(1,581)	522	(1,097)
Net operating cash receipts (disbursements)	\$ 1,057	\$ 1,201	\$ 939	\$ 2,145	\$ 2,168

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total September 30, 2023
\$ 595	\$ 1,002	\$ 3,237
-	-	-
(19)	(36)	(149)
(63)	(172)	(466)
44	106	484
(14)	(137)	(205)
-	-	-
1,848	3,525	14,711
(349)	(488)	(4,260)
<u>\$ 2,042</u>	<u>\$ 3,800</u>	<u>\$ 13,352</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 294	\$ 398	\$ 661	\$ 1,065	\$ 969
Principal receipts on mortgages and loans	1,156	1,253	1,685	5,225	2,473
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	-	-	196
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	1,450	1,651	2,346	6,290	3,638
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(1,461)	(1,666)	(2,378)	(6,438)	(3,695)
Proceeds from maturity of investments	-	-	-	-	-
Interest received from investments	11	15	32	148	57
Net cash receipts (disbursements)	(1,450)	(1,651)	(2,346)	(6,290)	(3,638)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C	Total September 30, 2023
\$ 668	\$ 4,055
305	12,097
-	-
-	196
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
973	16,348
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(1,050)	(16,688)
-	-
77	340
(973)	(16,348)
-	-
-	-
\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B		General Mortgage Revenue Bonds II 2016 A		General Mortgage Revenue Bonds II 2018 A & B		General Mortgage Revenue Bonds II 2019 A & B		General Mortgage Revenue Bonds II 2020 A & B	
Reconciliation										
Operating income (loss) to net cash										
Operating income (loss)	\$	-	\$	195	\$	118	\$	357	\$	672
Adjustments:										
Depreciation expense		-		-		-		-		-
Provision for loan loss		-		(17)		(20)		(34)		(48)
Net change in the fair value of investments		-		(7)		(27)		(29)		(93)
Interfund receipts (payments) for operations		-		32		38		65		(78)
Interest received from investments		-		(11)		(15)		(32)		(148)
Interest paid on bonds and capital notes		-		-		-		-		-
Change in assets, liabilities and deferred resources:										
Net (increase) decrease in mortgages and loans		-		1,698		2,022		3,324		4,745
Net increase (decrease) in assets, liabilities, and deferred resources		-		(440)		(465)		(1,305)		1,240
Net operating cash receipts (disbursements)	\$	-	\$	1,450	\$	1,651	\$	2,346	\$	6,290

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B		General Mortgage Revenue Bonds II 2022 C		Total September 30, 2023	
\$	822	\$	(18)	\$	2,146
	-		-		-
	(35)		(5)		(159)
	(22)		-		(178)
	69		41		167
	(57)		(77)		(340)
	-		-		-
	3,495		463		15,747
	(634)		569		(1,035)
\$	3,638	\$	973	\$	16,348

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total September 30, 2023
Cash Flows				
Operating activities				
Interest income on mortgages and loans	\$ 145	\$ 256	\$ 165	\$ 566
Principal receipts on mortgages and loans	588	1,176	899	2,663
Disbursements to fund mortgages and loans	-	-	-	-
Receipts (payments) for interfund loan transfers	245	-	(46,386)	(46,141)
Mortgage and loan proceeds receipts	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-
Payroll-related disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Receipts from externally funded programs	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-
Net cash receipts (disbursements)	978	1,432	(45,322)	(42,912)
Non-capital financing activities				
Proceeds from bond issuance	-	-	50,061	50,061
Payment of bond issuance costs	-	-	(659)	(659)
Proceeds from short-term debt issuance	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Transfers from (to) other funds	-	(1,000)	498	(502)
Net cash receipts (disbursements)	-	(1,000)	49,900	48,900
Capital financing activities				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-
Investing activities				
Purchase of investments	(1,005)	(1,453)	(4,603)	(7,061)
Proceeds from maturity of investments	-	1,000	-	1,000
Interest received from investments	27	21	25	73
Net cash receipts (disbursements)	(978)	(432)	(4,578)	(5,988)
Net Increase (decrease) in cash	-	-	-	-
Cash at beginning of year	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total September 30, 2023
Reconciliation				
Operating income (loss) to net cash				
Operating income (loss)	\$ 85	\$ 258	\$ (736)	\$ (393)
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan loss	(8)	115	450	557
Net change in the fair value of investments	-	(28)	1	(27)
Interfund receipts (payments) for operations	10	11,698	668	12,376
Interest received from investments	(27)	(21)	(25)	(73)
Interest paid on bonds and capital notes	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	756	(11,373)	(44,580)	(55,197)
Net increase (decrease) in assets, liabilities, and deferred resources	162	783	(1,100)	(155)
Net operating cash receipts (disbursements)	\$ 978	\$ 1,432	\$ (45,322)	\$ (42,912)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GOVERNMENTAL PURPOSE BONDS**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 722
Principal receipts on mortgages and loans	2,652
Disbursements to fund mortgages and loans	-
Receipts (payments) for interfund loan transfers	-
Mortgage and loan proceeds receipts	-
Mortgage and loan proceeds paid to trust funds	-
Payroll-related disbursements	-
Payments for goods and services	-
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	-
Grant payments to other agencies	-
Other operating cash receipts (payments)	-
Net cash receipts (disbursements)	3,374
Non-capital financing activities	
Proceeds from bond issuance	-
Payment of bond issuance costs	-
Proceeds from short-term debt issuance	-
Payment of short term debt	-
Contributions to State of Alaska or State agencies	-
Transfers from (to) other funds	-
Net cash receipts (disbursements)	-
Capital financing activities	
Acquisition of capital assets	-
Proceeds from the disposal of capital assets	-
Payment of bond issuance costs	-
Net cash receipts (disbursements)	-
Investing activities	
Purchase of investments	(3,427)
Proceeds from maturity of investments	-
Interest received from investments	53
Net cash receipts (disbursements)	(3,374)
Net Increase (decrease) in cash	-
Cash at beginning of year	-
Cash at end of period	\$ -

	Governmental Purpose Bonds 2001 A & B
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 855
<i>Adjustments:</i>	
Depreciation expense	-
Provision for loan loss	(37)
Net change in the fair value of investments	(257)
Interfund receipts (payments) for operations	(161)
Interest received from investments	(53)
Interest paid on bonds and capital notes	-
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	3,653
Net increase (decrease) in assets, liabilities, and deferred resources	(626)
Net operating cash receipts (disbursements)	\$ 3,374

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	State Capital Project Bonds II	Total September 30, 2023
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 9,238	\$ 9,238
Principal receipts on mortgages and loans	15,890	15,890
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(60,000)	(60,000)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	(109)	(109)
Net cash receipts (disbursements)	(34,981)	(34,981)
Non-capital financing activities		
Proceeds from bond issuance	-	-
Payment of bond issuance costs	-	-
Proceeds from short-term debt issuance	-	-
Payment of short term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	-	-
Net cash receipts (disbursements)	-	-
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from the disposal of capital assets	-	-
Payment of bond issuance costs	-	-
Net cash receipts (disbursements)	-	-
Investing activities		
Purchase of investments	(100,292)	(100,292)
Proceeds from maturity of investments	133,951	133,951
Interest received from investments	1,213	1,213
Net cash receipts (disbursements)	34,872	34,872
Net Increase (decrease) in cash	(109)	(109)
Cash at beginning of year	166	166
Cash at end of period	\$ 57	\$ 57

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	State Capital Project Bonds II	Total September 30, 2023
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 2,752	\$ 2,752
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	353	353
Net change in the fair value of investments	371	371
Interfund receipts (payments) for operations	632	632
Interest received from investments	(1,213)	(1,213)
Interest paid on bonds and capital notes	-	-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(35,728)	(35,728)
Net increase (decrease) in assets, liabilities, and deferred resources	(2,148)	(2,148)
Net operating cash receipts (disbursements)	\$ (34,981)	\$ (34,981)

See accompanying notes to the financial statements.

Schedule 23

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
OTHER PROGRAM FUNDS

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 37	\$ 181	\$ 218
Principal receipts on mortgages and loans	-	-	144	1,461	1,605
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	-	-	-
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(2,215)	(461)	-	-	(2,676)
Payments for goods and services	(3,146)	(429)	-	-	(3,575)
Receipts from externally funded programs	3,468	565	-	-	4,033
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	2,427	890	-	-	3,317
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	2,117	568	-	-	2,685
Net cash receipts (disbursements)	2,651	1,133	181	1,642	5,607
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(557)	-	-	-	(557)
Proceeds from the disposal of capital assets	23	-	-	-	23
Payment of bond issuance costs	-	-	-	-	-
Net cash receipts (disbursements)	(534)	-	-	-	(534)
Investing activities					
Purchase of investments	-	-	(198)	(1,698)	(1,896)
Proceeds from maturity of investments	-	-	-	-	-
Interest received from investments	97	79	17	56	249
Net cash receipts (disbursements)	97	79	(181)	(1,642)	(1,642)
Net Increase (decrease) in cash	2,214	1,212	-	-	3,426
Cash at beginning of year	17,552	13,297	-	-	30,849
Cash at end of period	\$ 19,766	\$ 14,509	\$ -	\$ -	\$ 34,275

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218
-	-	-	-	-	-	1,605
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(20)	(1,266)	(213)	(58)	(1,557)	(35)	(4,268)
(19)	(164)	(124)	(191)	(498)	(17)	(4,090)
1,312	1,493	3,958	-	6,763	-	10,796
-	8,036	-	-	8,036	-	8,036
-	(8,954)	-	-	(8,954)	-	(8,954)
169	(2,243)	3,340	7,929	9,195	(37)	12,475
(1,442)	(107)	(7,105)	(6,023)	(14,677)	-	(14,677)
-	1	144	1	146	52	2,883
-	(3,204)	-	1,658	(1,546)	(37)	4,024
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(19)	-	-	(19)	-	(576)
-	5	-	-	5	-	28
-	-	-	-	-	-	-
-	(14)	-	-	(14)	-	(548)
-	-	-	-	-	-	(1,896)
-	-	-	-	-	-	-
-	-	-	-	-	1	250
-	-	-	-	-	1	(1,646)
-	(3,218)	-	1,658	(1,560)	(36)	1,830
768	6,630	3	4,659	12,060	9,423	52,332
\$ 768	\$ 3,412	\$ 3	\$ 6,317	\$ 10,500	\$ 9,387	\$ 54,162

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**OTHER PROGRAM FUNDS**

For the Three Months Ended September 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 73	\$ 18	\$ 71	\$ 348	\$ 510
<i>Adjustments:</i>					
Depreciation expense	1,075	293	-	-	1,368
Provision for loan loss	-	-	(2)	(26)	(28)
Net change in the fair value of investments	-	-	-	-	-
Interfund receipts (payments) for operations	708	10	5	12	735
Interest received from investments	(97)	(79)	(17)	(56)	(249)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	219	2,610	2,829
Net increase (decrease) in assets, liabilities, and deferred resources	892	891	(95)	(1,246)	442
Net operating cash receipts (disbursements)	\$ 2,651	\$ 1,133	\$ 181	\$ 1,642	\$ 5,607

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total September 30, 2023
\$ (792)	\$ (1,143)	\$ (3,220)	\$ (184)	\$ (5,339)	\$ (606)	\$ (5,435)
-	12	-	-	12	-	1,380
-	-	-	-	-	607	579
-	-	-	-	-	-	-
793	75	2,565	(1)	3,432	43	4,210
-	-	-	-	-	(1)	(250)
-	-	-	-	-	-	-
-	-	-	-	-	608	3,437
(1)	(2,148)	655	1,843	349	(688)	103
\$ -	\$ (3,204)	\$ -	\$ 1,658	\$ (1,546)	\$ (37)	\$ 4,024

Other Information

Entity-wide amounts at year-end are presented below for informational purposes (in thousands):

	2023	2022	2021	2020	2019
Assets					
Cash	\$ 80,205	\$ 84,731	\$ 108,769	\$ 73,772	\$ 74,259
Investments	784,796	981,786	1,033,065	871,387	562,671
Accrued interest receivable	16,664	14,791	14,850	16,183	15,831
Mortgage loans, notes and other loans	3,229,243	3,018,160	2,995,561	3,256,290	3,342,961
Net investment in direct financing lease	-	-	20,287	22,468	24,780
Capital assets, net	71,542	75,158	81,177	87,061	94,036
Other assets	70,344	66,358	38,510	21,455	21,255
Total Assets	4,252,794	4,240,984	4,292,219	4,348,616	4,135,793
Deferred Outflow of Resources	71,553	111,512	210,255	261,327	186,739
Liabilities					
Bonds and notes payable	2,347,283	2,277,492	2,366,206	2,572,813	2,461,125
Short term debt	128,476	149,771	130,697	115,366	49,469
Accrued interest payable	7,339	6,013	6,681	7,257	8,388
Other liabilities	150,617	202,682	211,197	70,401	70,059
Derivative instrument - interest rate swaps	39,013	73,728	168,250	234,281	158,349
Total Liabilities	2,672,728	2,709,686	2,883,031	3,000,118	2,747,390
Deferred Inflow of Resources	23,369	43,349	3,512	2,861	3,719
Total Net Position	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931	\$ 1,606,964	\$ 1,571,423
Operating Revenues					
Mortgage and loans revenue	\$ 127,895	\$ 120,874	\$ 132,258	\$ 147,068	\$ 146,042
Investment interest	35,962	3,440	5,669	13,031	17,404
Net change in fair value of investments	3,158	820	(2,158)	1,922	(838)
Net change of hedge termination	281	875	579	(177)	(278)
Total Investment Revenue	39,401	5,135	4,090	14,776	16,288
Externally funded programs	156,657	283,006	154,023	76,113	77,143
Rental	11,509	11,280	11,219	11,512	11,926
Other	3,165	4,347	4,490	1,607	4,634
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Operating Expenses					
Interest	79,853	60,780	70,987	81,137	76,831
Mortgage and loan costs	12,501	11,767	11,342	14,763	12,034
Operations and administration	47,774	48,911	50,360	40,958	44,781
Financing expenses	4,834	4,923	6,033	5,163	6,054
Provision for loan loss	1,640	485	(2,761)	(6,639)	(5,740)
Housing grants and subsidies	138,014	276,268	143,129	63,800	72,198
Rental housing operating expenses	17,175	19,274	17,012	16,353	15,042
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Non-Operating & Special Item					
Contribution to State or State agency	(8,047)	(933)	(1,011)	-	(2,106)
Change in Net Position	\$ 28,789	\$ 1,301	\$ 8,967	\$ 35,541	\$ 32,727



A Component Unit of the State of Alaska

Financial Statements
And Independent Auditor's Report

June 30, 2023

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This publication of Alaska Housing Finance Corporation. For comments or questions:

Website: <https://www.ahfc.us/investors/financials-history> or

E-Mail: rsmall@ahfc.us



Independent Auditor's Report

To the Board of Directors
Alaska Housing Finance Corporation
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation (the Corporation), a component unit of the State of Alaska, as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Alaska Housing Finance Corporation'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 of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation as of June 30, 2023, 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 Corporation, 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 Corporation'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 Corporation'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 Corporation'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, the schedules of the net pension liability, contributions to the pension plan, net OPEB liability, and contributions to the OPEB plan be presented to supplement the basic financial statements. Such information, 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 Alaska Housing Finance Corporation's basic financial statements. The combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the five-year comparative information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho

September 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial report of the Alaska Housing Finance Corporation (the "Corporation") consists of three sections: Management's Discussion and Analysis, the Basic Financial Statements, and Supplementary Schedules. The Corporation's operations are business-type activities and follow enterprise fund accounting rules. The Corporation is a component unit of the State of Alaska (the "State") and is discretely presented in the State's financial statements. The Corporation's Basic Financial Statements include the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the Notes to Financial Statements. These statements are presented for all of the Corporation's operations and grouped by program or function. Summarized financial information for fiscal year 2023 is also presented in Management's Discussion and Analysis to facilitate and enhance the understanding of the Corporation's financial position and the results of operations for the current fiscal year in comparison to the prior fiscal year.

Management's Discussion and Analysis

This section of the Corporation's annual financial report presents management's discussion and analysis of the financial position and results of operations for the fiscal year ended June 30, 2023. This information is presented to assist the reader in identifying significant financial issues and to provide additional information regarding the activities of the Corporation. This information should be read in conjunction with the Independent Auditors' Report, audited financial statements and accompanying notes.

Basic Financial Statements

The *Statement of Net Position (Exhibit A)* helps answer the question: "How is the Corporation's financial health at the end of the year?" The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Corporation, both financial and capital, short-term and long-term. It uses the accrual basis of accounting and economic resources measurement focus. The accrual basis of accounting is used by most private-sector companies. The resulting net position presented in the Statement of Net Position is characterized as restricted or unrestricted. Assets are restricted when their use is subject to external limits or rules such as bond resolutions, legal agreements, or statutes. Assets not included in this category are characterized as unrestricted. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or declining.

The *Statement of Revenues, Expenses, and Changes in Net Position (Exhibit B)* measures the activities of the Corporation's operations over the past year and presents the operating income or (loss) and change in net position. It can be used to determine whether the Corporation has successfully recovered all of its expenses through mortgage and loan interest, investment interest, externally funded programs and other revenue sources. The Statement of Revenues, Expenses and Changes in Net Position helps answer the question: "Is the Corporation as a whole better or worse off as a result of the year's activities?"

The primary purpose of the *Statement of Cash Flows (Exhibit C)* is to provide information about the sources and uses of the Corporation's cash and the components of the change in cash balance during the reporting period. This statement reports cash receipts, cash payments, and net changes resulting from operations, non-capital and capital financing and investing activities. It provides answers to such questions as: "Where did cash come from?"; "What was cash used for?" and "What was the change in the cash balance during the reporting period?"

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements. The *Notes to Financial Statements* follow *Exhibit C*.

Major Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For fiscal year 2023, the Corporation reports the following major funds:

The Administrative Fund is the main operating fund of the Corporation. It represents all of the Corporation's activity not presented in other funds. The resources in this fund:

- provide for general working capital requirements of the Corporation;
- fund program requirements;
- are available to meet outstanding obligations and to fund continuing appropriations;
- are available to absorb future loan foreclosure losses; and
- are the source of legislatively authorized transfers to and from the State of Alaska and debt service payments for debt issued on behalf of the State.

As of June 30, 2023, the Administrative Fund reported a net position of \$669.4 million, an increase of \$3.0 million from June 30, 2022. The increase in net position is largely due to operating income of \$19.0 million and internal transfers from the Mortgage and Bond Funds. The Administrative Fund transferred \$464.7 million to the Mortgage and Bond Funds, whereas \$479.7 million transferred from the Mortgage and Bond Funds, resulting in a net transfer into the Administrative Fund of \$15.0 million. Transfers for loan purchases totaled \$60.4 million less than in the previous year, and loans were warehoused in the Administrative Fund after the refunding of bonds. Unrestricted net position totaled \$546.9 million, or 81.7% of the total net position in the fund, and may be used for operations and to meet the continuing obligations of the Corporation.

The Grant Programs Fund includes resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families and to assist in improving the energy efficiency of Alaskan homes, as well as tenant-based rental assistance programs for families in the private market that are administered by the Corporation under contract with the Department of Housing and Urban Development (HUD). These programs include the Energy Programs, the Section 8 Voucher Programs, and Other Grants.

The Mortgage and Bond Funds include resources used to assist in the financing of loan programs or to fund legislative appropriations. This fund includes the Home Mortgage Revenue Bonds, General Mortgage Revenue Bonds II, Collateralized Veterans Mortgage Bonds, Governmental Purpose Bonds, and State Capital Project Bonds II.

As of June 30, 2023, the Mortgage and Bond Funds reported a net position of \$787.1 million, an increase of \$18.7 million from the previous year. Funds are transferred to the Administrative Fund to fund mortgage purchases, and there was \$60.4 million less transferred to the Administrative Fund in FY2023 for purchases than in FY2022. Loan payoffs decreased by 56.0% during the current fiscal year due to increase of interest rates compared to fiscal year 2022. During fiscal year 2023, the mortgage loan portfolio increased by 6.5% or \$199.0 million from fiscal year 2022. Approximately \$576.0 million, or 73.0%, of the fund's net position is restricted by bond resolutions.

The Other Funds and Programs include AHFC-owned housing for low-income families that is managed under contract with HUD as well as other programs that are not specifically grants or bond funds. These programs include the Low Rent Program, the Market Rate Rental Housing Program, the Home Ownership Fund and the Senior Housing Revolving Loan Fund. The fund had an operating loss of \$3.8 million in fiscal year 2023, \$3.1 million lower than fiscal year 2022 operating loss. In fiscal year 2023, the Administrative Fund transferred \$14.0 million to Other Funds and Programs.

The Alaska Corporation for Affordable Housing ("ACAH") is a non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major blended component unit for the benefit of users of the financial statements. ACAH's net position at June 30, 2023, was \$38.2 million. ACAH had an operating income of \$13.6 million in fiscal year 2023, and the Administrative Fund transferred \$0.1 million into ACAH. ACAH's change in net position is the product of rental income from both housing and non-housing properties and expenses include rental property expenses and payroll expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- The Corporation had operating income in fiscal year 2023 of \$36.8 million. The increase from fiscal year 2022 operating income of \$2.2 million, was the result of increased investment interest income, as well as a 5% increase in interest rates earned on the mortgage portfolio. The average interest rate on the mortgage portfolio was 4.2%, representing a 5.0% increase from the fiscal year 2022 average mortgage rate of 4.0%.
- The Corporation's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2023, by \$1.6 billion (net position), an increase over 2022 of \$28.8 million, of which 45.5% was unrestricted.
- During the fiscal year ended June 30, 2023, the investment portfolio earned approximately 4.0% overall, as compared to 0.3% for the fiscal year ended June 30, 2022, reflecting a significant increase in short-term interest rates.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2023, the mortgage loan portfolio increased by 6.5%. Loan purchases decreased by \$60.4 million in fiscal year 2023 but exceeded loan payoffs by \$318.5 million.

Bonds outstanding increased by 3.4%. The Corporation redeemed a total of \$112.2 million in bonds in fiscal year 2023. Of this total, scheduled bond redemptions totaled \$91.3 million and special redemptions totaled \$20.9 million. New bond issuances exceeded bond redemptions by over \$73.4 million.

- On July 7, 2022, the Corporation issued its \$97,700,000 State Capital Project Bonds II, 2022 Series B Social Bonds. Net proceeds of the bonds totaled approximately \$106.5 million, including a premium of \$9.0 million. Proceeds were used to reimburse the Corporation for certain capital expenditures previously incurred and to refund prior outstanding obligations. The 2022B bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of June 1, 2037.
- On December 22, 2022, the Corporation issued its \$87,965,000 General Mortgage Revenue Bonds II, 2022 Series C. Net proceeds of the bonds totaled approximately \$90.0 million, including a premium of \$2.5 million. Proceeds were used to redeem certain outstanding obligations of the Corporation, to purchase mortgages, and to pay costs of issuance. The bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of December 1, 2052.
- As of June 30, 2023, the weighted average interest rate on the mortgage and bond portfolios was 4.2% and 4.0%, respectively, yielding a net interest margin of 0.2%, a decrease of 69.0% from fiscal year 2022. This decrease was primarily due to higher average interest rates on unhedged variable rate bonds. However, the net cash impact of the lower interest margin was offset by corresponding rate increases on the Corporation's investments.
- The U.S. Department of the Treasury awarded the Corporation funding for rental and mortgage assistance for those affected by the COVID-19 pandemic. The funding came from the Consolidated Appropriations and The American Rescue Plan Acts of 2021. Funding received in fiscal year 2022 totaled \$169.6 million to assist Alaskans struggling to make rent or mortgage payments due to the coronavirus pandemic. Funding received in fiscal year 2023 totaled \$5.0 million funds from reallocation of rental assistance.
- In fiscal year 2023, the Corporation transferred \$13.0 million of its Moving to Work (MTW) reserves funds in HUD to ACAH to assist in funding a multifamily housing project known as the Fairbanks Affordable Housing Project. These funds were passed through Fairbanks Affordable Housing, LLC (FAH), in a form of a loan agreement. As a result of this loan to FAH, ACAH's Net Position increased by \$13.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2023 and 2022, and changes in balances during the fiscal year ended June 30, 2023 (in thousands):

Condensed Statement of Net Position

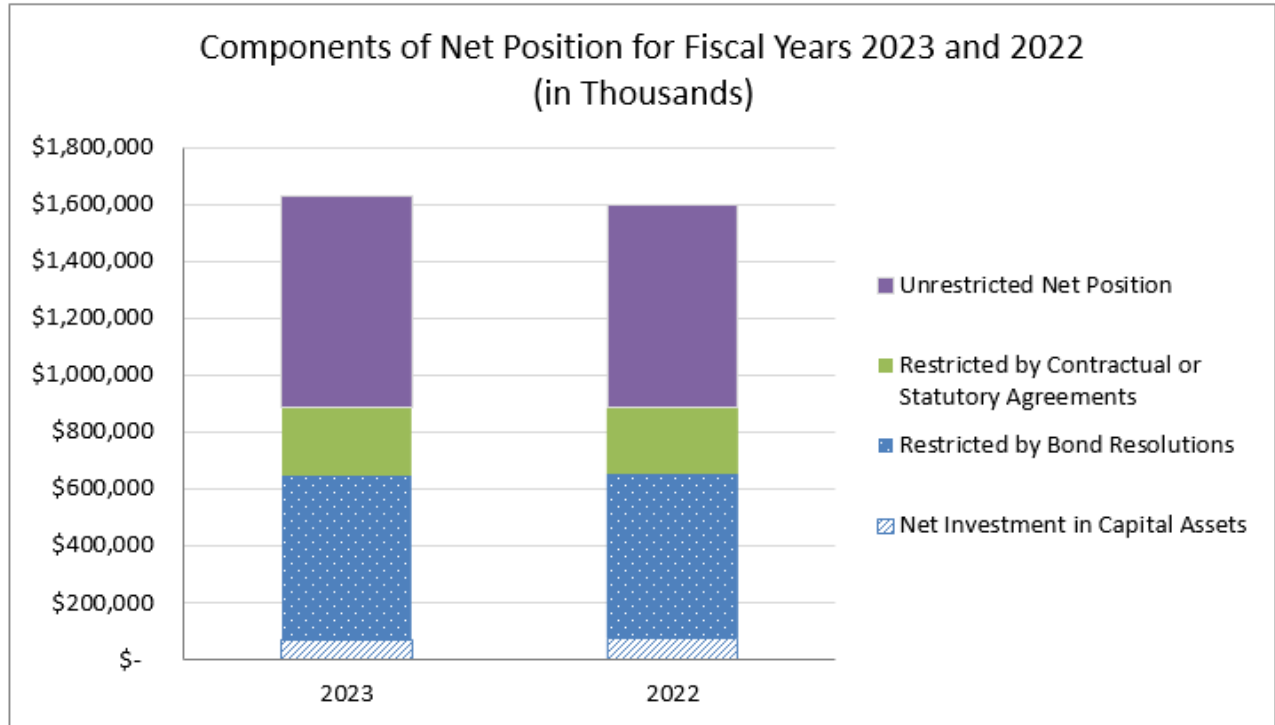
	2023	2022	Increase/(Decrease)	
Cash and investments	\$ 865,001	\$ 1,066,517	\$ (201,516)	-18.9%
Mortgage loans, notes and other loans, net	3,245,907	3,032,951	212,956	7.0%
Capital assets, net	71,542	75,158	(3,616)	-4.8%
Other assets	70,344	66,358	3,986	6.0%
Total Assets	4,252,794	4,240,984	11,810	0.3%
Deferred outflow of resources	71,553	111,512	(39,959)	-35.8%
Bonds and notes payable, net	2,347,283	2,277,492	69,791	3.1%
Short term debt	128,476	149,771	(21,295)	-14.2%
Accrued interest payable	7,339	6,013	1,326	22.1%
Derivatives	39,013	73,728	(34,715)	-47.1%
Pension and OPEB liabilities	35,286	28,727	6,559	22.8%
Other liabilities	115,331	173,955	(58,624)	-33.7%
Total liabilities	2,672,728	2,709,686	(36,958)	-1.4%
Deferred inflow of resources	23,369	43,349	(19,980)	-46.1%
Total net position	\$ 1,628,250	\$ 1,599,461	\$ 28,789	1.8%

The increase in total assets during fiscal year 2023 is primarily due to an increase in the mortgage portfolio, notes and other loans. The \$213.0 million increase in mortgage loans and notes from the prior year was mainly due to mortgage purchases exceeding mortgage pay-off by \$318.5 million compared to \$154.5 million in fiscal year 2022. HUD transfer of \$13.0 million MTW reserves to ACAH, which ACAH loaned to FAH, increased ACAH's notes receivable compared to fiscal year 2022. Due to rising interest rates, the fair value of the derivative portfolio decreased, which resulted in a decrease in deferred outflows.

Total liabilities decreased by \$37.0 million mainly due to a decrease in unearned income and short-term debt, offset by an increase in bonds payable. The major factor in the decrease of total liabilities was the decrease in unearned income of \$52.1 million as COVID-19 funds received in 2022 were utilized in 2023 to help Alaskans affected by the pandemic. Short-term debt (commercial paper) decreased by \$21.3 million. Based on actuarial valuation, pension, OPEB liability, and the related deferred inflows decreased by \$14.7 million. The Corporation issued new bonds totaling \$185.7 million, but bond redemptions totaled \$112.2 million. Bond issuances exceeded bond redemptions by \$73.4 million. Finally, the aggregate fair value of the Corporation's interest rate swap derivatives decreased by \$34.7 million. Derivative valuations are based on forward swap rates, which steadily decreased during fiscal year 2022, causing the associated liability to increase accordingly. But in fiscal year 2023, the Federal Reserve reversed direction and began increasing rates due to inflation, which caused the forward swap curve to increase sharply, and thus decreased the fair value of the derivatives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart shows the various components of net position in fiscal years 2023 and 2022:



CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following table presents condensed information about the revenues, expenses and changes in net position for the fiscal years ended June 30, 2023 and 2022, and the variances from the prior fiscal year (in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2023	2022	Increase/(Decrease)	
Mortgage and loan revenue	\$ 127,895	\$ 120,874	\$ 7,021	5.8%
Investment interest income	35,962	3,440	32,522	945.4%
Net change in fair value of investments	3,439	1,695	1,744	102.9%
Externally funded programs	156,657	283,006	(126,349)	-44.6%
Rental and other revenue	14,674	15,627	(953)	-6.1%
Total operating revenue	338,627	424,642	(86,015)	-20.3%
Interest expense	79,853	60,780	19,073	31.4%
Mortgage and loan costs	12,501	12,252	249	2.0%
Bond financing expenses	4,834	4,923	(89)	-1.8%
Operations and administration	49,414	48,911	503	1.0%
Rental housing and grant expenses	155,189	295,542	(140,353)	-47.5%
Total operating expense	301,791	422,408	(120,617)	-28.6%
Operating income(loss)	36,836	2,234	34,602	1548.9%
Contributions to the State of Alaska	(8,047)	(933)	(7,114)	
Change in net position	\$ 28,789	\$ 1,301	\$ 27,488	2112.8%

Total operating revenues decreased by \$86.0 million during fiscal year 2023, primarily due to decreased revenue from federal financial assistance of \$141.0 million. However, investment interest income increased by \$32.5 million.

Total operating expense decreased by \$120.6 million, mainly due to \$140.4 million decrease in rental housing and grant expenses. Federal grants related to COVID-19 have decreased in fiscal year 2023 compared to fiscal year 2022. Interest expense increased by \$19.0 million mainly due to higher interest rates on the Corporation's variable rate bonds.

In fiscal year 2023, the Corporation contributed \$8.0 million to the State of Alaska. See Footnote No.19 in the Notes to the Financial Statements for more details about the Transfer Plan.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Corporation's capital assets include land, buildings, vehicles, office and computer equipment. Capital assets are presented in the financial statements at \$71.5 million (net of accumulated depreciation), a decrease of 4.8% from fiscal year 2022. The change in capital assets in any given year is immaterial to the overall operation of the Corporation as assets depreciate due to normal wear and tear.

As of June 30, 2023, the Corporation had \$2.3 billion in outstanding bonds and notes payable secured by assets held and the general obligation pledge of the Corporation. The Corporation's general obligation is rated by three major rating agencies as follows. There has been no change in the Corporation's ratings from previous years.

Rating Category	Standard & Poor's	Moody's	Fitch Ratings
Long Term	AA+	Aa2	AA+
Short Term	A-1+	P-1	F1+

Significant debt activity during the year included the following:

- Issued \$185.7 million in new bonds;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Redeemed bonds through both scheduled and special redemption provisions of their respective indentures of \$112.2 million.

Additional information on the Corporation's long-term debt can be found in the Notes to Financial Statements.

ECONOMIC FACTORS AND OTHER FINANCIAL INFORMATION

The primary business activity of the Corporation is providing a secondary market for the purchase of single-family and multifamily mortgage loans. The Corporation's mortgage financing activities are sensitive to changes in interest rates, the spread between the rate on the Corporation's loans and those available in the conventional mortgage markets, and the availability of affordable housing in the State. The availability of long-term tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Corporation to continue its mortgage financing activities.

The Corporation's main sources of revenue include mortgage loan activity, investment interest income and externally funded grants and subsidies. Market interest rates have an effect on both the mortgage program and investment income revenues. If interest rates rise, mortgage and investment income should increase as new loans are originated and new investments are purchased at the higher rates. If interest rates fall, mortgage and investment income will decrease as new loans are originated and new investments are purchased at the lower rates.

Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. The Corporation uses these prepayments to redeem higher rate bonds, thus lowering the interest expense incurred on the Corporation's overall portfolio, or to recycle mortgages to obtain the maximum allowable spread. Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives during the periods reported. For inquiries about this report or to request additional financial information please call (907) 330-8322 or email finance@ahfc.us.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782
Investments	596,696	-	151,103	4,906	752,705
Lease receivable	-	-	2,536	83	2,619
Accrued interest receivable	6,792	-	9,682	121	16,595
Inter-fund due (to)/from	(82,900)	53,622	31,467	(2,077)	112
Mortgage loans, notes and other loans, net	9,026	33	87,022	1,356	97,437
Other assets	1,517	13,978	-	1,325	16,820
Intergovernmental receivable	98	11,131	-	909	12,138
Total current	558,936	90,824	281,976	37,472	969,208
Non current					
Investments	9,928	-	22,163	-	32,091
Lease receivable	-	-	12,820	-	12,820
Inter-fund due (to)/from	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	247,113	967	2,813,723	43,855	3,105,658
Capital assets - non-depreciable	2,483	-	-	13,519	16,002
Capital assets - depreciable, net	11,002	169	-	39,629	50,800
Other assets	2,230	304	5,820	30	8,384
OPEB asset	14,102	-	-	-	14,102
Total non current	286,858	2,863	2,854,526	97,033	3,241,280
Total assets	845,794	93,687	3,136,502	134,505	4,210,488
Deferred Outflow Of Resources	7,437	-	64,116	-	71,553
Liabilities					
Current					
Bonds payable	-	-	100,555	-	100,555
Short term debt	128,476	-	-	-	128,476
Accrued interest payable	-	-	7,339	-	7,339
Other liabilities	16,637	92,740	849	1,202	111,428
Intergovernmental payable	-	-	166	396	562
Total current	145,113	92,740	108,909	1,598	348,360
Non current					
Bonds payable	-	-	2,246,728	-	2,246,728
Other liabilities	2,240	267	-	9	2,516
Derivative instrument - interest rate swaps	-	-	39,013	-	39,013
Pension liability	35,286	-	-	-	35,286
Total non current	37,526	267	2,285,741	9	2,323,543
Total liabilities	182,639	93,007	2,394,650	1,607	2,671,903
Deferred Inflow Of Resources	1,180	-	18,853	74	20,107
Net Position					
Net investment in capital assets	13,485	169	-	53,148	66,802
Restricted by bond resolutions	-	-	576,299	-	576,299
Restricted by contractual or statutory agreements	109,004	16,600	-	80,861	206,465
Unrestricted or (deficit)	546,923	(16,089)	210,816	(1,185)	740,465
Total net position	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 9,423	\$ 80,205
-	752,705
3,373	5,992
69	16,664
(112)	-
-	97,437
85	16,905
2	12,140
12,840	982,048
-	32,091
-	12,820
(1,423)	-
26,148	3,131,806
4,740	20,742
-	50,800
1	8,385
-	14,102
29,466	3,270,746
42,306	4,252,794
-	71,553
-	100,555
-	128,476
-	7,339
605	112,033
-	562
605	348,965
-	2,246,728
220	2,736
-	39,013
-	35,286
220	2,323,763
825	2,672,728
3,262	23,369
4,740	71,542
-	576,299
33,522	239,987
(43)	740,422
\$ 38,219	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ -	\$ 113,327	\$ 1,459	\$ 127,753
Investment interest	20,158	7	15,193	600	35,958
Net change in the fair value of investments	2,864	-	294	-	3,158
Net change of hedge termination	-	-	281	-	281
Total investment revenue	23,022	7	15,768	600	39,397
Grant revenue	-	126,870	-	4,087	130,957
Housing rental subsidies	-	-	-	12,700	12,700
Rental revenue	9	-	-	11,500	11,509
Gain on disposal of capital assets	-	3	-	-	3
Other revenue	1,664	737	75	18	2,494
Total operating revenues	37,662	127,617	129,170	30,364	324,813
Operating expenses					
Interest	4,260	-	75,593	-	79,853
Mortgage and loan costs	2,915	-	9,440	146	12,501
Bond financing expenses	685	-	4,149	-	4,834
Provision for loan loss	(282)	35	1,822	54	1,629
Operations and administration	11,001	15,288	4,475	16,818	47,582
Rental housing operating expenses	-	25	-	17,147	17,172
Grant expense	6	138,008	-	-	138,014
Total operating expenses	18,585	153,356	95,479	34,165	301,585
Operating income (loss)	19,077	(25,739)	33,691	(3,801)	23,228
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Change in net position	3,056	(5,821)	18,711	(840)	15,106
Net position at beginning of year	666,356	6,501	768,404	133,664	1,574,925
Net position at end of period	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
<u>\$ 142</u>	<u>\$ 127,895</u>
4	35,962
-	3,158
-	281
<u>4</u>	<u>39,401</u>
13,000	143,957
-	12,700
-	11,509
-	3
<u>668</u>	<u>3,162</u>
<u>13,814</u>	<u>338,627</u>
-	79,853
-	12,501
-	4,834
11	1,640
192	47,774
3	17,175
-	138,014
<u>206</u>	<u>301,791</u>
<u>13,608</u>	<u>36,836</u>
-	(8,047)
<u>75</u>	<u>-</u>
13,683	28,789
24,536	1,599,461
<u>\$ 38,219</u>	<u>\$ 1,628,250</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ -	\$ 104,679	\$ 1,337	\$ 114,767
Principal receipts on mortgages and loans	15,940	-	287,026	4,854	307,820
Disbursements to fund mortgages and loans	(497,181)	-	-	-	(497,181)
Receipts (payments) for interfund loan transfers	389,596	-	(378,857)	(10,739)	-
Mortgage and loan proceeds receipts	414,480	-	-	-	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	(426,376)
Payroll-related disbursements	(23,138)	(5,630)	-	(9,746)	(38,514)
Payments for goods and services	(7,055)	(4,568)	-	(15,796)	(27,419)
Receipts from externally funded programs	-	24,807	-	15,739	40,546
Receipts from Federal HAP subsidies	-	30,092	-	-	30,092
Payments for Federal HAP subsidies	-	(34,427)	-	-	(34,427)
Interfund receipts (payments)	(92,134)	92,530	-	1,127	1,523
Grant payments to other agencies	-	(105,880)	-	-	(105,880)
Other operating cash receipts (payments)	5,731	429	17	10,821	16,998
Net cash receipts (disbursements)	(211,386)	(2,647)	12,865	(2,403)	(203,571)
Non-capital financing activities					
Proceeds from bond issuance	-	-	197,245	-	197,245
Principal paid on bonds	-	-	(108,947)	-	(108,947)
Payment of bond issuance costs	(578)	-	(741)	-	(1,319)
Interest paid on bonds	(253)	-	(82,400)	-	(82,653)
Proceeds from short-term debt issuance	559,836	-	-	-	559,836
Payment of short term debt	(585,138)	-	-	-	(585,138)
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Transfers from (to) other funds	97,543	-	(97,543)	-	-
Net cash receipts (disbursements)	63,363	-	(92,386)	-	(29,023)
Capital financing activities					
Acquisition of capital assets	(181)	(125)	-	(2,487)	(2,793)
Proceeds from the disposal of capital assets	3	3	-	-	6
Principal paid on capital notes	-	-	(3,278)	-	(3,278)
Interest paid on capital notes	-	-	(292)	-	(292)
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	(178)	(122)	(3,570)	(2,487)	(6,357)
Investing activities					
Purchase of investments	(7,299,217)	-	(974,003)	(6,411)	(8,279,631)
Proceeds from maturity of investments	7,425,253	-	1,043,730	10,802	8,479,785
Interest received from investments	19,074	7	10,077	594	29,752
Net cash receipts (disbursements)	145,110	7	79,804	4,985	229,906
Net Increase (decrease) in cash	(3,091)	(2,762)	17	95	(5,741)
Cash at beginning of year	30,798	14,822	149	30,754	76,523
Cash at end of period	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ 114,767
-	307,820
-	(497,181)
-	-
-	414,480
-	(426,376)
(118)	(38,632)
(76)	(27,495)
-	40,546
-	30,092
-	(34,427)
(1,523)	-
-	(105,880)
2,927	19,925
1,210	(202,361)
-	197,245
-	(108,947)
-	(1,319)
-	(82,653)
-	559,836
-	(585,138)
-	(8,047)
-	-
-	(29,023)
-	(2,793)
-	6
-	(3,278)
-	(292)
-	3,304
-	(3,053)
-	(8,279,631)
-	8,479,785
5	29,757
5	229,911
1,215	(4,526)
8,208	84,731
\$ 9,423	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ (25,739)	\$ 33,691	\$ (3,801)	\$ 23,228
<i>Adjustments:</i>					
Depreciation expense	1,047	81	-	5,359	6,487
Provision for loan loss	(282)	35	1,822	54	1,629
Net change in the fair value of investments	(2,864)	-	(294)	-	(3,158)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Interest received from investments	(19,074)	(7)	(10,077)	(594)	(29,752)
Interest paid on bonds and capital notes	253	-	82,692	-	82,945
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	34	(182,533)	(5,304)	(197,952)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	3,031	102,544	(1,078)	(86,923)
Net operating cash receipts (disbursements)	\$ (211,386)	\$ (2,647)	\$ 12,865	\$ (2,403)	\$ (203,571)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 86,967	\$ -	\$ 86,967
Derivative instruments liability	-	-	108,443	-	108,443
Net change of hedge termination	-	-	762	-	762
Deferred outflow debt refunding	-	-	35,308	-	35,308
Total non-cash activities	\$ -	\$ -	\$ 231,480	\$ -	\$ 231,480

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 13,608	\$ 36,836
-	6,487
11	1,640
-	(3,158)
75	-
(5)	(29,757)
-	82,945
(13,131)	(211,083)
652	(86,271)
\$ 1,210	\$ (202,361)
\$ -	\$ 86,967
-	108,443
-	762
-	35,308
\$ -	\$ 231,480

NOTE DISCLOSURES INDEX

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FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

1 AUTHORIZING LEGISLATION AND FUNDING

The Alaska Housing Finance Corporation (the "Corporation") or ("AHFC"), a public corporation and government instrumentality of the State of Alaska (the "State"), was created in 1971, and substantially modified in 1992, by acts of the Alaska State Legislature (the "Legislature") to assist in the financing, development and sale of dwelling units, operate the State's public housing, offer various home loan programs emphasizing housing for low and moderate-income and rural residents, and administer energy efficiency and weatherization programs within Alaska. The Corporation is a component unit of the State and is discretely presented in the State's financial statements.

Generally, the Corporation accomplishes its mortgage-related objectives by functioning as a secondary market for qualified real estate loans originated by financial institutions. The Corporation is authorized by the Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as, in the opinion of the Corporation, will be necessary to provide sufficient funds for carrying out its purpose. Certain bonds issued to finance residences for qualified veterans are unconditionally guaranteed by the State. No other obligations constitute a debt of the State.

The non-mortgage related programs of the Corporation are funded through various grant and program agreements with the federal government's departments of Housing and Urban Development ("HUD"), Energy ("DOE"), and Health and Human Services ("HHS"), funding from the State of Alaska, as well as capital and operating subsidies from the Corporation's own funds.

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc/ntsc-financial-statements/>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc/ahcc-financial-statements/>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/alaska-corporation-affordable-housing-acah/acah-financial-statements/>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial reporting entity consists of AHFC and the blended component unit ACAH. The entities are closely related and financially integrated. The board of directors for AHFC and ACAH are the same and both entities have similar mission statements. ACAH is a legally separate entity from AHFC, but is considered a blended component unit of AHFC due to AHFC's operational responsibility for ACAH and the potential financial benefit or financial burden between AHFC and ACAH. AHFC is financially accountable for ACAH.

The other affiliates of AHFC are not closely related, nor financially integrated with AHFC. There is no financial accountability for the other affiliates by AHFC. They are not component units of AHFC, thus not included in these financial statements. NTSC and AHCC are component units of the State.

Neither AHFC nor the State is liable for any debt issued by the affiliates of AHFC. They are government instrumentalities of, but have a legal existence separate and apart from, the State.

Basis of Accounting

The financial reporting entity utilizes the economic resource measurement focus and full accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles as set forth in GASB's pronouncements.

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

The basic financial statements include a Total Funds and Programs column representing an aggregate of AHFC amounts and a Total column for the financial reporting entity, an aggregation of both AHFC and ACAH amounts.

Major Funds and Component Unit

The basic fund financial statements present the major funds of AHFC and the major component unit ACAH.

Administrative Fund: This is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation not accounted for in other funds.

Grant Programs: Resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families, to assist in improving the energy efficiency of Alaska homes, and to provide tenant-based rental assistance programs for families in the private market (administered by the Corporation under contract with HUD).

Mortgage or Bond Funds: Provides resources to assist in the financing of loan programs or to fund Legislature appropriations.

Other Funds or Programs: Includes the Low Rent program and other affordable housing for low income families managed under contract with HUD, owned by AHFC. Also includes the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

Component unit ACAH: A non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major component unit for the benefit of users of the financial statements.

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

The other financial activities of the Corporation are restricted by the Corporation's bond indentures, requirements from the Legislature, and statutory requirements or third-party agreements that restrict the use of resources. These restricted resources are recorded in various special purpose funds and accounts. Restricted funds with a net deficit balance are shown as having an unrestricted net position balance pursuant to reporting requirements.

When both restricted and unrestricted resources are available in a fund, it is the Corporation's policy to spend restricted funds to the extent allowed and only spend unrestricted funds when needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The major estimate for the Corporation is the allowance for loan losses.

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

Interest is accrued based upon the principal amount outstanding. Accrual of interest income is discontinued on loans when, in the opinion of management, collection of such interest becomes doubtful. When payment of interest is provided for pursuant to the terms of loan insurance or guarantees, accrual of interest on delinquent loans and real estate owned is continued.

Loans and Allowances for Estimated Loan Losses

Mortgage loans are carried at their unpaid principal balances net of allowance for estimated loan losses. Once monies have been disbursed, the mortgage loans are recorded.

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the

Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. While management uses the best information available to make evaluations, future adjustments to the allowances may be necessary if there are significant changes in economic conditions or property disposal programs.

Real Estate Owned

Real estate owned consists principally of properties acquired through foreclosure or repossession and is carried at the lower of cost or estimated net realizable value. These amounts are included in other assets.

Depreciation

Depreciation and amortization of buildings, equipment, and leasehold improvements are computed on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives range from 3 to 40 years. The capitalization threshold is \$5,000.

Bonds

The Corporation issues bonds to provide capital for its mortgage programs and other uses consistent with its mission. The bonds are recorded at cost plus accreted interest and premiums, less discounts. Discounts and premiums are amortized using the straight-line method. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

Deferred debt refunding expenses occur when new debt is issued to replace existing debt. The differences between the carrying value of the old debt and the resources used to redeem it are called deferred debt refunding expenses. The unamortized balances of these expenses are recorded as deferred outflows of resources. These expenses are amortized over the shorter of the remaining life of the old debt or the remaining life of the new debt.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

The standard requires the recognition of right-of-use assets and lease liabilities, and Lease Receivable and Deferred Inflow of Resources, for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor records Lease Receivable and Deferred Inflow of Resources, measured at present value of future lease payments and receipts respectively, discounted at Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components, interest revenue on lease receivable and revenue from amortization of deferred inflow of resources. The adoption of GASB 87 effective July 1, 2021, eliminates the disclosure on direct financing lease previously adopted by the Corporation.

Subscription-Based Information Technology Arrangements

As of July 1, 2022, the Corporation adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. During fiscal year 2023, the Corporation does not have any subscription that match the criteria described in this statement.

Derivative Instruments-Interest Rate Swaps

The Corporation's Fiscal Policies allow, with certain restrictions, the Corporation to enter into certain derivative financial instruments called interest rate swap agreements, or swaps. The Corporation enters into these swaps with various counter-parties to achieve a lower overall cost of funds for certain bond issuances. These agreements can be negotiated whereby the Corporation pays the counter-party a fixed interest rate in exchange for a variable interest rate payment from the counter-party, or vice-versa. The swap agreements are negotiated to achieve the financing objectives of the Corporation. The swaps are stated at fair value. The change in the fair value of the hedgeable derivatives is recorded as deferred inflows of resources or deferred outflows of resources, and the change in the fair value of the investment derivatives is recorded as investment revenue.

Operating Revenues and Expenses

The Corporation was created with the authority to issue bonds to the investing public in order to create a flow of private capital through the Corporation into mortgage loans to qualified housing sponsors and to certain individuals. The Corporation's primary purpose is to borrow funds in the bond market and to use those funds to make single-family and multi-family mortgages and loans. Its primary operating revenue is derived from the interest income and fees from those mortgages and loans and on the invested proceeds from the bond issues. Additionally, the Corporation's statutory purpose includes providing financial assistance programs for rental subsidies to tenants of various housing developments. The Corporation records all revenues from mortgages and loans, investments, rental activities, and externally funded programs as operating revenues. The primary costs of providing these programs are recorded as operating expenses.

Income Taxes

The Corporation is exempt from federal and state income taxes.

3 CASH AND INVESTMENTS

Cash consists of demand deposits, time deposits, and cash held in trust. The carrying amount of the Corporation's cash is restricted by bond resolutions, contractual agreements, and statutory agreements. A summary of the Corporation's cash is shown below (in thousands):

	June 30, 2023
Restricted cash	\$ 61,244
Unrestricted cash	18,961
Carrying amount	80,205
Bank balance	\$ 80,495

Investment Valuation

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

AHFC measures its investments using quoted market prices (Level 1 inputs).

Investment Maturities

The fair value of debt security investments by contractual maturity is shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

Investment Maturities (In Years)					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	June 30, 2023
Securities of U.S. Government agencies and corporations	\$ 3,500	\$ 9,928	\$ -	\$ -	\$ 13,428
Commercial paper & medium-term notes	597,128	-	-	-	597,128
Corporate Certificates of Deposit	16,502	-	-	-	16,502
Guaranteed Investment Contracts	-	10,000	12,163	-	22,163
Money market funds	134,042	-	-	-	134,042
Total not including GeFONSI	\$ 751,172	\$ 19,928	\$ 12,163	\$ -	\$ 783,263
GeFONSI pool					1,533
Total AHFC Investment Portfolio					\$ 784,796

Restricted Investments

A large portion of the Corporation's investments, \$286,876,400, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$497,919,600, is unrestricted.

Realized Gains and Losses

The calculation of realized gains and losses is independent of the calculation of the net increase 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 the current period may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments included in the table below takes into account all changes in fair value (including purchases and sales) that occurred during the period. A summary of the gains and losses is shown below (in thousands):

Original Amount	June 30, 2023
Ending unrealized holding gain	\$ 5,644
Beginning unrealized holding gain	2,496
Net change in unrealized holding gain	3,148
Net realized gain (loss)	10
Net increase (decrease) in fair value	\$ 3,158

Deposit and Investment Policies

The Corporation utilizes different investment strategies depending upon the nature and intended use of the assets being invested. All funds are classified as trusted or non-trusted, and this classification determines the applicable investment guidelines used by staff when making investment decisions. Trusted funds are invested in accordance with their respective indentures or governing agreements. Non-trusted funds are governed by the terms outlined in the Corporation's Fiscal Policies and are typically invested to meet the projected need for use of such funds.

The following securities are eligible for investment under the Corporation's Fiscal Policies.

- Obligations backed by the full faith and credit of the United States;
- Obligations of U.S. government-sponsored enterprises ("GSEs") and federal agencies not backed by the full faith and credit of the United States;
- Obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Money market funds (MMF) rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAMmf" by Fitch;

- Banker's acceptances and negotiable certificates of deposit of any bank, the unsecured short-term obligations of which are rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch and which is incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank having a long-term issuer rating of at least "AA" from S&P or "Aa2" from Moody's or "AA" from Fitch;
- Commercial paper, including asset-backed commercial paper, rated at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch;
- Repurchase agreements ("repos") where: the counterparty is designated as a primary dealer by the Federal Reserve and has a long-term debt rating of at least "A" by S&P or "A" by Moody's or "A" by Fitch or a short-term rating of at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch; collateral is pledged at a minimum level of 102%, valued on a daily basis with a one-business-day cure period; the term of such repurchase agreement is one week or less; a third-party custodian acting as the Corporation's agent has possession of the collateral and holds such collateral in the Corporation's name; the agreement is evidenced by standard documents published by the Securities Industry and Financial Markets Association ("SIFMA"); and the securities to be repurchased are obligations backed by the full faith and credit of the United States or obligations of U.S. government-sponsored enterprises and federal agencies not backed by the full faith and credit of the United States or obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch, or, if the term is one year or less, at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch;
- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year, or at least "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least "AA+" by S&P or "Aa1" by Moody's or "AA+" by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments ("GeFONSI") pool.

Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Corporation mitigates its credit risk by limiting investments to those permitted in its Fiscal Policies and relevant governing agreements, diversifying the investment portfolio, and pre-qualifying firms with which the Corporation administers its investment activities.

The credit quality ratings of the Corporation's investments as of June 30, 2023, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody's	Investment Fair Value
Securities of U.S. Government agencies and corporations, Commercial paper, medium-term notes, Guaranteed Investment Contracts & Certificates of Deposit:	AA+	Aaa	\$ 10,928
	AA+	Aa3	12,163
	AA-	Aa2	10,000
	A-1+	A-1+	15,350
	A-1+	P-1	132,638
	A+	A1	799
	A	A2	464
	A-1	P-1	319,789
	A-1	P-2	14,989
	A-1	NA	11,049
	A-2	P-1	56,487
	A-2	P-2	33,926
	NA	P-2	30,637
Money market funds:	Aaa-mf	AAAmmf	134,042
			<u>\$ 783,263</u>

Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of the Corporation's investments in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for trust investments. The following table details the maximum concentration limits for non-trust investments as outlined in the Corporation's Fiscal Policies. Under certain conditions, the Fiscal Policies permit investments in excess of these limits. For more information, please see the Corporation's Fiscal Policies at: <http://www.ahfc.us/pros/investors/fiscal-policies>.

Investment Category	Category Limit as % of Total Portfolio	Issuer Limit as % of Total Portfolio
U.S. Government obligations	n/a	n/a
U.S. GSEs and agencies	n/a	35%
World Bank obligations	n/a	35%
Money market funds	n/a	n/a
Banker's acceptances, negotiable CDs	n/a	5%
Commercial paper	n/a	5%
Repurchase agreements	n/a	25%
Guaranteed investment contracts	n/a	5%
Corporate and municipal notes and bonds	n/a	5%
Asset-backed securities	20%	5%
State of Alaska investment pools	n/a	n/a

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of June 30, 2023, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio	Investment Category
Invesco Ltd.	\$ 103,279	13.22%	MMF

Custodial Credit Risk

The Corporation assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. For bank investment agreements and investments, custodial credit risk is the risk that, in the event of failure of the custodian or counterparty holding the investment, the Corporation will not be able to recover the value of the investment. As stated in the Corporation's Fiscal Policies, credit risk is mitigated by limiting investments to those highly-rated securities permitted in the Fiscal Policies and by pre-qualifying firms through which the Corporation administers its investment activities.

None of the Corporation's \$80,495,000 bank balance at June 30, 2023, was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. As stated in the Corporation's Fiscal Policies, for non-trust investments, the Corporation mitigates interest rate risk by structuring its investment maturities to meet cash requirements (including corporate operations), thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in the bond indentures and contractual and statutory agreements.

The GeFONSI pool investment interest rate risk details are at the end of this footnote.

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of June 30, 2023, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 13,428	1.832
Certificate of Deposit	16,502	0.439
Commercial paper & medium-term notes:		
Commercial paper discounts	595,865	0.374
Medium-term notes	1,263	0.631
Guaranteed Investment Contracts	22,163	5.360
Money market funds	134,042	0.000
Portfolio modified duration	<u>\$ 783,263</u>	0.477

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Annual Comprehensive Financial Report (ACFR) available from the Department of Administration, Division of Finance.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool was \$1,533,000 as of June 30, 2023.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at:
<http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of June 30, 2023, is shown below (in thousands):

Due To	Due From					
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
Administrative Fund	\$ -	\$ 14,466	\$ -	\$ 2,616	\$ 112	\$ 17,194
Grant Programs	68,088	-	-	-	1,423	69,511
Mortgage or Bond Programs	31,467	-	-	-	-	31,467
Other Funds or Programs	539	-	-	-	-	539
Total	\$ 100,094	\$ 14,466	\$ -	\$ 2,616	\$ 1,535	\$ 118,711

The balance due to the Mortgage or Bond programs from the Administrative Fund resulted primarily from monies belonging to these funds being deposited in an Administrative Fund account to obtain a greater rate of return.

The balance due to the Administrative Fund from Grant Programs, Other Funds or Programs, and ACAH resulted primarily from expenditures paid by the Administrative Fund on behalf of those programs, as well as an allocation of management and bookkeeping fees mandated by HUD.

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

A summary of mortgage loans, notes and other loans is shown below (in thousands):

	June 30, 2023
Mortgage loans	\$ 2,802,245
Multifamily loans	392,042
Other notes receivable	75,783
	3,270,070
Less:	
Allowance for losses	(40,827)
Net Mortgages, Notes & Other	\$ 3,229,243

Of the \$3,270,070,000 mortgage loans, notes, and other loans, \$97,437,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$27,291,000. Included in the allowance for losses is \$1,143,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$26,148,000.

Other supplementary loan information is summarized in the following table (in thousands):

	June 30, 2023
Loans Delinquent 30 days or more	\$ 92,748
Foreclosures during reporting period	4,169
Loans in foreclosure process	8,304
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 152,125

6 INSURANCE AGREEMENTS

The Corporation has obtained private mortgage insurance, credit insurance, or guarantees on certain mortgages and loans. The agreements protect the Corporation to varying degrees against losses arising from the disposition of the related collateral obtained through foreclosure or repossession, as well as the costs of obtaining title to, maintaining, and liquidating the collateral. The Corporation is exposed to losses on disposition in the event the insurers or guarantors are unable or refuse to meet their obligations under these agreements.

7 LEASES

GASB 87

The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lease Liability

As of June 30, 2023, Current Lease Liability of \$101,000 and Long term Lease Liability of \$1,314,000, total of \$1,415,000 Lease Liability, and Right-of-Use Asset of \$1,657,000, were recognized by the Corporation. The Corporation as a Lessee records the Right-of-Use Asset and Lease Liability at present value of future lease payments discounted at weighted-average discount rate based on the Corporation's incremental borrowing rate of 5% subject to reexamination on annual basis. The adoption of the new standard did not materially affect the Corporation's Statements of Operations or Statements of Cash Flows.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to five years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases. As of June 30, 2023, the Corporation recognized a total amount of lease assets of \$1,657,000 and its related accumulated amortization of \$261,000.

Remaining obligations associated with these leases are as follows (in thousands):

Date	Interest Due	Principal Due
6/30/2024	\$ 117	\$ 107
6/30/2025	85	78
6/30/2026	65	64
6/30/2027	59	67
6/30/2028	56	69
2029 and thereafter	\$ 386	\$ 1,030

Lease Receivable

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009 through June 30, 2019. The Corporation opted to renew an additional 10 year period, which terminates this lease in March 2029. As of June 30, 2023, the Corporation recognized a Lease Receivable from this lease of \$83,000 measured at present value of future lease receivable expected to be received during the lease term discounted at 5% incremental borrowing rate.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of June 30, 2023, ACAH recognized a Lease Receivable of \$3,373,000 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage.

The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage.

As of June 30, 2023, the Corporation recognized valuation of Lease Receivable of \$15,356,000 measured based on discounted future lease at Corporation's incremental borrowing rate of 5%, subject to reexamination on annual basis. The following table lists the components of the Lease Receivable and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

Future Minimum Payments Due	
Twelve Months Ending June 30,	Parking Garage
2024	\$ 3,304
2025	3,304
2026	3,304
2027	3,304
Thereafter	3,301
Gross payments due	16,517
Less: Unearned revenue	(1,161)
Net Lease Receivable	\$ 15,356

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2023, and a summary of balances is shown below (in thousands):

Issuer	June 30, 2022	Additions	Reductions	June 30, 2023
Non-Depreciable Capital Assets:				
Land	\$ 20,742	\$ -	\$ -	\$ 20,742
Construction in progress	63	1,855	1,918	-
Total Non-Depreciable	20,805	1,855	(1,918)	20,742
Depreciable Capital Assets:				
Buildings	243,570	1,918	-	245,488
Computers & Equipment	3,518	181	-	3,699
Vehicles	2,679	695	-	3,333
Less: Accumulated depreciation				
Buildings	(190,093)	(5,898)	-	(195,991)
Computers & Equipment	(3,131)	(215)	-	(3,346)
Vehicles	(2,190)	(234)	41	(2,383)
Total Depreciable, Net	54,353	(3,553)	-	50,800
Total Capital Assets, Net	\$ 75,158	\$ (1,698)	\$ (1,918)	\$ 71,542

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$6,347,000 for the twelve months ended June 30, 2023.

The Corporation is obligated under contracts and other commitments to purchase and/or modernize certain fixed assets. The total commitment, including amounts to be funded by third parties, was \$12,428,000 at June 30, 2023.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. Block 102, containing land the State did not transfer but may take ownership of at a later date, is

reported as a Corporation asset at the assessed value of \$4,175,000, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at June 30, 2023, were interest rate swap derivatives of \$39,013,000, deferred debt refunding expense of \$25,103,000, pension deferred outflows of \$3,511,000, and other post-employment benefits deferred outflows of \$3,926,000, for a total of \$71,553,000.

10 BONDS PAYABLE

All of the bonds are general obligations of the Corporation for which its full faith and credit are pledged. All of the bonds are secured, as described in the applicable agreements, by the revenues, monies, investments, mortgage loans, and other assets in the funds and accounts established by the respective security agreements. A substantial portion of the assets of the Corporation are pledged to the outstanding obligations of the Corporation.

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of June 30, 2023, are shown on the next three pages (in thousands):

	Original Amount	June 30, 2023
Housing Bonds:		
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 3.80% at June 30, 2023, due 2032-2036	\$ 170,000	\$ 26,260
Unamortized swap termination penalty		(967)
• 2007 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series B; Floating Rate*; 4.00% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series D; Floating Rate*; 3.96% at June 30, 2023, due 2023-2041	89,370	75,480
• 2009 Series A; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series B; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series D; Floating Rate*; 3.95% at June 30, 2023, due 2023-2040	80,870	72,495
Total Home Mortgage Revenue Bonds	652,000	444,988
<i>Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:</i>		
• 2016 First and Second Series; 1.50% to 2.90%, due 2023-2037	50,000	26,035
• 2019 First and Second Series; 1.95% to 4.00%, due 2023-2048	60,000	15,310
Unamortized premium		448
Total Collateralized Bonds (Veterans Mortgage Program)	110,000	41,793

	Original Amount	June 30, 2023
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 1.75%-3.50%, due 2023-2046	100,000	40,500
Unamortized premium		181
• 2018 Series A; 2.40%-4.00%, due 2023-2048	109,260	28,995
Unamortized premium		908
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		3,090
• 2019 Series A; 1.45%-3.75%, due 2023-2044	136,700	88,185
Unamortized premium		1,046
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		3,475
• 2020 Series A; 0.55%-3.25%, due 2023-2044	135,170	109,975
Unamortized premium		2,993
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		10,283
• 2022 Series A; 0.35%-3.00%, due 2023-2051	39,065	36,380
Unamortized premium		1,021
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		13,828
• 2022 Series C; 2.55%-5.75%, due 2023-2052	87,965	87,650
Unamortized premium		2,487
Total General Mortgage Revenue Bonds II, Tax-Exempt	850,070	637,852
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	76,580	28,640
Unamortized swap termination penalty		(1,790)
• 2001 Series B; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	93,590	34,995
Total Governmental Purpose Bonds	170,170	61,845
Total Housing Bonds	1,782,240	1,186,478

	Original Amount	June 30, 2023
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2014 Series A; 4.00% to 5.00%, due 2023-2033	95,115	3,105
Unamortized premium		21
• 2014 Series B; 5.00%, due 2023-2029	29,285	2,140
Unamortized premium		28
• 2014 Series D; 5.00%, due 2023-2029	78,105	11,435
Unamortized premium		232
• 2015 Series A; 4.00% to 5.00%, due 2023-2030	111,535	16,635
Unamortized premium		505
• 2015 Series B; 3.38% to 5.00%, due 2023-2036	93,365	38,460
Unamortized discount		(101)
Unamortized premium		269
• 2015 Series C; 5.00%, due 2024-2035	55,620	8,395
Unamortized premium		275
• 2017 Series A; 4.00% to 5.00%, due 2023-2032	143,955	113,220
Unamortized premium		8,481
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		3,291
• 2018 Series B; 3.13% to 5.00%, due 2023-2038	35,570	30,220
Unamortized discount		(53)
Unamortized premium		2,334
• 2019 Series B; 4.00% to 5.00%, due 2023-2039	60,000	53,140
Unamortized premium		6,618
• 2021 Series A; 3.00% to 5.00%, due 2023-2030	90,420	90,420
Unamortized premium		13,588
• 2022 Series B; 4.00% to 5.00%, due 2023-2037	97,700	92,695
Unamortized discount		(37)
Unamortized premium		7,654
Total State Capital Project Bonds II, Tax-Exempt	934,525	546,825
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 5.15% at June 30, 2023, due 2047	150,000	90,000
• 2018 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 5.10% at June 30, 2023, due 2033-2044	140,000	140,000
• 2020 Series A; 0.85% to 2.18%, due 2023-2033	96,665	93,980
• 2022 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	613,980
Total Non-Housing Bonds	1,611,190	1,160,805
Total Bonds Payable	\$ 3,393,430	\$ 2,347,283

Note: Debt service payments on the above-mentioned bonds are semi-annual unless otherwise mentioned.

*Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

Assets Pledged As Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 1,654,794	\$ 97,845	\$ -	\$ 1,752,639
Non-Housing	-	-	15,356	15,356
Total	\$ 1,654,794	\$ 97,845	\$ 15,356	\$ 1,767,995

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the twelve months ended June 30, 2023, the Corporation made special redemptions in the amount of \$20,955,000.

Bond Defeasances

There were no new bond defeasances in fiscal year 2023. A summary of all defeased debt from prior two fiscal years, as of June 30, 2023, follows (in thousands):

	Month Defeased	June 30, 2023
State Capital Project Bonds II, 2014 Series A	October 2020	\$ 35,200
State Capital Project Bonds II, 2014 Series A	June 2021	18,250
State Capital Project Bonds II, 2014 Series B	June 2021	13,860
State Capital Project Bonds II, 2014 Series D	June 2021	39,980
State Capital Project Bonds II, 2015 Series A	June 2021	23,200
State Capital Project Bonds II, 2015 Series B	June 2021	21,495
State Capital Project Bonds II, 2015 Series C	June 2021	31,045
State Capital Project Bonds II, 2015 Series A	December 2021	31,580
State Capital Project Bonds II, 2015 Series B	December 2021	8,450
		<u>\$ 223,060</u>

Debt Service Requirements**

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2028, and in five year increments thereafter to maturity, are shown below (in thousands):

Twelve Months Ending June 30	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
	Principal	Interest*	Principal	Interest*	Principal	Interest*	Total
2024	\$ 41,415	\$ 40,133	\$ 59,140	\$ 49,060	\$ 100,555	\$ 89,193	\$ 189,748
2025	42,950	38,925	58,345	46,169	101,295	85,094	186,389
2026	46,005	37,687	45,425	43,660	91,430	81,347	172,777
2027	47,055	36,331	48,075	41,564	95,130	77,895	173,025
2028	44,830	34,924	46,565	39,304	91,395	74,228	165,623
29-33	389,685	143,709	276,315	170,673	666,000	314,382	980,382
34-38	285,930	73,255	161,785	129,624	447,715	202,879	650,594
39-43	172,110	32,058	178,730	88,988	350,840	121,046	471,886
44-48	51,520	13,198	186,285	47,155	237,805	60,353	298,158
49-53	27,975	3,271	57,035	6,726	85,010	9,997	95,007
	<u>\$ 1,149,475</u>	<u>\$ 453,491</u>	<u>\$ 1,117,700</u>	<u>\$ 662,923</u>	<u>\$ 2,267,175</u>	<u>\$ 1,116,414</u>	<u>\$ 3,383,589</u>

* Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at June 30, 2023.

** Also see Note 11 – Derivatives.

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption (including sinking fund payments); a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, any of the covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of June 30, 2023, follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2023	Remaining Authority as of June 30, 2023
Revenue Bonds, 2023 (Brewsters MT View 21)	\$ 5,500	\$ 50	\$ 5,450
Revenue Bonds, 2023 (ACAH Fairbanks Project)	13,000	5,541	7,459
Revenue Bonds, 2021 (Little Dipper Project)	4,372	4,372	-
Revenue Bonds, 2020 (Old Mat Phase 1 Project)	3,800	1,771	2,029
Total	<u>\$ 26,672</u>	<u>\$ 11,734</u>	<u>\$ 14,938</u>

11 DERIVATIVES

The Corporation entered into derivatives to reduce the overall cost of borrowing long-term capital and protect against the risk of rising interest rates. The Corporation's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements, and were entered into at a cost less than what the Corporation would have paid to issue conventional fixed-rate debt.

The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

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

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of June 30, 2023, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of June 30, 2023, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁶
GP01B ¹	08/02/01	4.1127%	67% of 1M LIBOR ⁴	12/01/30	A+/Aa2
E021A1 ²	10/09/08	2.9800%	70% of 3M LIBOR ⁵	06/01/32	AA-/Aa2
E071AB	05/31/07	3.7345%	70% of 3M LIBOR	12/01/41	AA-/Aa2
E071BD	05/31/07	3.7200%	70% of 3M LIBOR	12/01/41	A+/Aa1
E091A	05/28/09	3.7610%	70% of 3M LIBOR	12/01/40	A+/Aa1
E091B	05/28/09	3.7610%	70% of 3M LIBOR	12/01/40	AA-/Aa2
E091ABD	05/28/09	3.7400%	70% of 3M LIBOR	12/01/40	A+/Aa1
SC19A ³	06/01/19	3.2220%	100% of 1M LIBOR	12/01/29	AA-/Aa2

1. Governmental Purpose Bonds

2. Home Mortgage Revenue Bonds

3. State Capital Project Bonds (I/II)

4. London Interbank Offered Rate ("LIBOR") 1 month

5. London Interbank Offered Rate 3 month

6. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of June 30, 2023, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Value		Change in Fair Value
			June 30, 2023	June 30, 2022	
GP01A	\$ -	\$ -	\$ -	\$ (731)	\$ 731
GP01B	34,995	36,777	(1,782)	(3,707)	1,925
E021A	26,260	26,395	(135)	(1,276)	1,141
E071A1	121,320	132,260	(10,940)	(18,802)	7,862
E071A2	80,880	88,159	(7,279)	(12,526)	5,247
E091A1	65,249	70,928	(5,679)	(10,009)	4,330
E091A2	65,249	70,928	(5,679)	(9,833)	4,154
E091A3	86,997	94,516	(7,519)	(13,040)	5,525
SC19A ³	140,000	135,085	4,915	(3,522)	8,437
	\$ 620,950	\$ 655,048	\$ (34,098)	\$ (73,446)	\$ 39,348

As of June 30, 2023, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending June30	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2024	\$ 21,405	\$ 26,008	\$ (3,449)	\$ 44,044
2025	22,440	25,164	(3,421)	44,183
2026	23,495	24,295	(3,403)	44,387
2027	24,630	23,358	(3,383)	44,605
2028	25,820	22,415	(3,370)	44,865
2029-2033	271,075	70,645	(6,459)	335,261
2034-2038	134,850	34,514	(1,232)	168,132
2039-2043	97,235	6,998	(254)	103,979
	\$ 620,950	\$ 233,477	\$ (24,971)	\$ 829,456

Credit Risk

As of June 30, 2023, the Corporation was exposed to credit risk on its State Capital Project Bonds 2019 Series A, to the extent of the swap's fair value of \$4,915,000, due to the value turning positive because of the increase in interest rates. The Corporation was not exposed to a credit risk on the rest of the swaps because these swaps all have negative fair values, or fair values equal to the notional amount. If interest rates rise and the fair value of the swaps becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties, and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The Corporation currently has swap agreements with five separate counterparties. Approximately 34.3% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1," and 22.5% of the total notional amount of the swaps is held with another counterparty rated "AA-/Aa2." Of the remaining swaps, the counterparties are rated "A+/Aa1" and "A+/Aa2", approximating 10.5% and 5.6% respectively, of the total notional amount of the swaps.

Interest Rate Risk

The Corporation is exposed to interest rate risk on all of its interest rate swaps. As LIBOR or the SIFMA index decreases, the Corporation's net payment on the swaps increases.

Basis Risk

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of June 30, 2023, the Corporation's interest rate swaps were based on the LIBOR index, while its variable rate bonds were based on SIFMA or some other non-LIBOR index.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so in response to then-current market conditions.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and the Corporation would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, the Corporation would be liable to the counterparty for payments equal to the swaps' fair value. The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of June 30, 2023, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	June 30, 2023
Accounts Payable	\$ 7,424
Accrued Payroll	7,389
Lease Liability	101
Other Miscellaneous Liabilities	805
Service Fees Payables	915
Unearned Grant Revenue	95,399
Total	<u>\$ 112,033</u>

13 LONG TERM LIABILITIES

The activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Total bonds and notes payable	\$ 2,277,492	\$ 197,246	\$ (127,455)	\$ 2,347,283	\$ 100,555
Net Pension liability	28,727	6,559	-	35,286	-
Compensated absences	3,214	2,677	(2,820)	3,071	1,870
Other liabilities	-	1,708	(72)	1,636	101
Total long-term liabilities	<u>\$ 2,309,433</u>	<u>\$ 208,190</u>	<u>\$ (130,347)</u>	<u>\$ 2,387,276</u>	<u>\$ 102,526</u>

14 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the twelve months ended June 30, 2023, was 1.25% and the highest, 5.30%.

Short term debt activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023
Commercial paper	\$ 149,810	\$ 564,970	\$ (585,138)	\$ 129,642
Unamortized discount	(39)	(4,478)	3,351	(1,166)
Commercial paper, net	<u>\$ 149,771</u>	<u>\$ 560,492</u>	<u>\$ (581,787)</u>	<u>\$ 128,476</u>

15 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. At June 30, 2023, AHFC recognized combined total deferred inflows of \$23,369,000 as follows:

- Other Post-Employment Benefits ("OPEB")-related deferred inflows totaled \$1,180,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience (\$203,000), b) the net effect of changes in actuarial assumptions (\$955,000) and c) changes in proportional contribution levels among participating employers (\$22,000).
- Lease-related deferred inflows totaled \$17,275,000, including one or more leases with local charitable organizations (\$74,000) and/or with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing (\$3,262,000), and Pacillo Garage (\$13,939,000).
- Derivatives-related deferred inflows totaled \$4,914,000.

16 TRANSFERS

Transfers for the twelve months ended June 30, 2023, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative Fund	\$ -	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 490,432
Grant Programs	19,918	-	-	-	-	19,918
Mortgage or Bond Programs	464,714	-	-	-	-	464,714
Other Funds or Programs	13,699	-	-	-	-	13,699
Alaska Corporation for Affordable Housing	75	-	-	-	-	75
Total	\$ 498,406	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 988,838

Transfers are used to:

- (1) move cash between the Administrative Fund and the Mortgage or Bond Programs to subsidize debt service payments or satisfy bond indenture requirements;
- (2) move mortgages between the Administrative Fund and the Mortgage or Bond Programs;
- (3) record expenditures paid on behalf of the Grant Programs, the Mortgage or Bond Programs, and the Other Funds or Programs by the Administrative Fund;
- (4) move cash and mortgages between various Mortgage or Bond Programs; or
- (5) record any non-reimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

17 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarketed tenders. In June 2022, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarketed tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A. Also in June 2022, the Corporation entered into a \$200 million standby LOC ("S-LOC") to further secure debt issued under the Corporation's State Capital Project Bonds II indenture and its Commercial Paper Notes program.

At June 30, 2023, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
2002 Series A Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	\$ 26,260
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	202,200
2009 Series A Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series B Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	72,495
2001 Series A & B Governmental Purpose Bonds	SBPA	A-1+	P-1	63,635
2022 State Capital Project Bonds II	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & Commercial Paper	S-LOC	A-1	P-1	200,000
Total				\$ 909,590

18 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned. As of June 30, 2023, no rebate liability exists and no rebate payments are due to the Internal Revenue Service.

19 STATE AUTHORIZATIONS AND COMMITMENTS

The Corporation uses its assets to fund certain housing and non-housing capital projects identified by the State. The aggregate amount expected to be funded by the Corporation was expressed by the following language of legislative intent included in the fiscal year 1996 capital appropriation bill, enacted in 1995.

"The Legislature intends to ensure the prudent management of the Alaska Housing Finance Corporation to protect its excellent debt rating by the nation's financial community and to preserve its valuable assets of the State. To accomplish its goal, the sum of withdrawals for transfer to the general fund and for expenditure on corporate funded capital projects should not exceed the Corporation's net income for the preceding fiscal year."

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of June 30, 2023, (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
AHFC Capital Projects	592,842	(541,762)	51,080
Total	\$ 2,194,308	\$ (2,095,633)	\$ 98,675

Transfer Plan with the State

The 1998 Legislature authorized the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan. That legislation also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The 2000 Legislature adopted legislation authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008. The 2002 Legislature authorized the issuance of capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities. The 2004 Legislature adopted legislation authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of bonds under the State Capital Project agreement pursuant to the 2004 Act, and has completed its issuance authority under the Acts. The payment of principal and interest on these bonds will be included in future capital budgets of the Corporation. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan.

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the

Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

20 HOUSING GRANTS AND SUBSIDIES EXPENSES

The grant programs are funded from HUD, federal, State and Corporate proceeds. The Corporation paid grants to third parties for the following programs (in thousands):

	June 30, 2023
Beneficiaries and Special Needs Housing	\$ 1,879
Competitive Grants for Public Housing	63
Continuum of Care Homeless Assistance	1,991
COVID-19 American Rescue Plan Act - Homeless Assistance	20,683
COVID-19 American Rescue Plan Act - Homeowner Assistance	34,728
COVID-19 American Rescue Plan Act - Rental Assistance	75
COVID-19 Consolidated Appropriation Act - Rental Assistance	6,922
COVID-19 American Rescue Plan Act	38
Domestic Violence	1,312
Discharge Incentive grant	292
Emergency Housing Vouchers (EHV)	555
Emergency Shelter Grant (ESG)	719
Energy Efficiency Monitoring Research	721
Energy Efficient Weatherization	501
Foster Youth to Independence	100
HOME Investment Partnership	7,366
Homeless Assistance Program (HAP)	8,272
Housing Choice Vouchers	29,392
Housing Choice Voucher - Mainstream	399
Housing Grants - Other Agencies	6
Housing Loan Program	1,440
Housing Opportunities for Persons with AIDS	584
Housing Trust Fund	6,293
Low Income Weatherization Assistance	3,282
Low Income Home Energy Assistance	2,169
Energy Residential Program	20
Neighborhood Stabilization Program	902
Non-Elderly Disabled (NED)	283
Parolees (TBRA)	269
Section 811 Rental Housing Assistance	495
Section 8 Rehabilitation	523
Senior Citizen Housing Development Grant	1,464
Supplemental Housing Grant	1,579
Veterans Affairs Supportive Housing	2,339
Victims of Human Trafficking	243
Youth (TBRA)	115
Total Housing Grants and Subsidies Expenses	\$ 138,014

A sum of \$13,000,000, from the Corporation's Moving to Work (MTW) Demonstration Program reserves in HUD, were transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$11,381,000, and committed to third parties a sum of \$67,621,000 in grant awards, as of June 30, 2023.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2023, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the State. Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by state legislature. Amendments do not affect existing employees.

PERS audited financial statements are available at www.doa.alaska.gov/drb.

Defined Benefit ("DB") Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

Employees hired prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service and for all service prior to July 1, 1986, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan pays the retiree medical plan premium and provides death and disability benefits.

Employees hired between July 1, 1986, and June 30, 1996, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees under the age of 60 unless the retiree has 30 years of credited service. The employee may elect to pay the full premium cost for medical coverage.

Employees hired between July 1, 1996, and June 30, 2006, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's five-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees with less than 10 years of service at age 60. The employee may elect to pay the full premium cost for medical coverage.

This plan was closed to new entrants as of June 30, 2006.

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2023, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 2.79%, the difference between the actuarial required contribution of 24.79% for fiscal year 2023 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the twelve months ended June 30, 2023, totaled \$1,740,000.

Pension Liability:

For the year ended June 30, 2023, the Corporation reported a liability for its proportionate share of net pension liability of \$35,286,000. This amount reflected State pension support provided to the Corporation of \$9,767,000. The total net pension liability associated with the Corporation was \$45,053,000.

The net pension liability for the June 30, 2022 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Pension Income:

For the year ended June 30, 2023, the Corporation recognized pension income of \$1,152,000 and revenue of \$604,000 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2023, the Corporation's deferred outflows of resources related to pension expense of \$3,511,000 were due to a change in proportion and difference between employer contributions \$1,009,000 and contributions to the pension plan subsequent to the measurement date of \$2,502,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2024. The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2024	\$ 2,382	\$ -	\$ 2,382
2025	(307)	-	(307)
2026	(738)	-	(738)
2027	2,174	-	2,174
	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 3,511</u>

Pension Employer Contributions:

In 2023, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer PERS contributions	\$ 2,918,000	\$ 2,781,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2023, was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement.

The long-term expected rate of return on pension and OPEB plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 47,502	\$ 35,286	\$ 24,985

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (Employees hired on or after July 1, 2006):

Employee Benefits:

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service.

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2023 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00%
Occupational Death and Disability Benefits (ODD)	0.30%
Retiree Medical	1.10%
Total OPEB	1.40%
Total Contribution Rates	6.40%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2023, 6.40% of covered salary is split between 5.00% for the pension plan and 1.40% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,237.04,

representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.43 per hour for part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the twelve months ended June 30, 2023, the Corporation paid additional contributions of \$1,707,000. All of the contributions were for the defined benefit pension as of June 30, 2023.

The contributions to the pension plan for the twelve months ended June 30, 2023, by the employees totaled \$1,096,000 and by the Corporation totaled \$664,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the twelve months ended June 30, 2023, totaled \$185,000.

The Corporation contributed \$431,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2023.

The Defined Contribution Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Other Post-Employment Benefits ("OPEB") Defined Benefit and Defined Contribution Plans

The Corporation's contributions to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2023, were zero dollars, and for the years ended June 30, 2022, and June 30, 2021, totaled \$569,000 and \$706,000, respectively.

OPEB Employer Contribution Rate:

In 2023, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer contributions DB	\$ 585,000	\$ 727,000
Employer contributions DC RM	135,000	143,000
Employer contributions DC ODD	39,000	35,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 759,000	\$ 905,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2021 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (ARHT) per capita claims costs were updated to reflect recent experience.
2. For all of the plans the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

Healthcare cost trend model has been adopted by the Society of Actuaries, and has been populated with assumptions that are specific to the State of Alaska. The table below shows the rate used by actuaries to project the cost from the shown fiscal year to the next fiscal year.

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)
FY22	6.3%	5.4%	7.1%
FY23	6.1%	5.4%	6.8%
FY24	5.9%	5.4%	6.4%
FY25	5.8%	5.4%	6.1%
FY26	5.6%	5.4%	5.7%
FY27-FY40	5.4%	5.4%	5.4%
FY41	5.3%	5.3%	5.3%
FY42	5.2%	5.2%	5.2%
FY43	5.1%	5.1%	5.1%
FY44	5.1%	5.1%	5.1%
FY45	5.0%	5.0%	5.0%
FY46	4.9%	4.9%	4.9%
FY47	4.8%	4.8%	4.8%
FY48	4.7%	4.7%	4.7%
FY49	4.6%	4.6%	4.6%
FY50+	4.5%	4.5%	4.5%

Key Elements of OPEB formula:

Liability and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate, which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members, their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Post-employment healthcare benefits:

For DB plan major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986, (Tier 1) and disabled retirees. Employees hired after June 30, 1986, (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996, (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for post-employment healthcare benefits. Tier 2 members, who are receiving a conditional benefit and are age eligible, are eligible for post-employment healthcare benefits. Employees and their surviving spouses with thirty years of membership service receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Where premiums are required prior to age 60, the valuation bases this payment upon the age of the retiree.

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875%, respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

For the year ended June 30, 2023, the total net OPEB Asset associated with the Corporation was \$14,102,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2023, the Corporation reported an asset for its proportionate share of the net OPEB Asset ("NOA") that reflected an increase for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

Corporation's proportionate share Net OPEB Asset:	2023
Corporation's proportionate share of NOA – DB	\$ 13,530,000
Corporation's proportionate share of NOA – DC RM	277,000
Corporation's proportionate share of NOA – DC ODD	295,000
Total Net OPEB Asset	\$ 14,102,000

The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
Corporation's proportionate share Net OPEB Asset:			
DB	0.78626%	0.68783%	(0.09843%)
DC RM	0.76797%	0.79810%	0.03013%
DC ODD	0.64746%	0.67357%	0.02611%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventive benefits for pre-Medicare participants will now be covered by the plan. There have been no other changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2023, the Corporation recognized a reduction of OPEB expense of \$3,575,000 and no support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2023, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,708	\$ -
Difference between expected and actual experience	14	(203)
Difference between projected and actual investment earnings	817	-
Changes in assumptions	54	(955)
Changes in proportion and differences between employer contributions	333	(22)
Total Deferred Outflows and Deferred Inflows	\$ 3,926	\$ (1,180)

Deferred outflows of resources related to OPEB resulting from contributions of \$2,708,000 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	Total
2024	\$ 2,118
2025	(330)
2026	(674)
2027	1,772
2028	(63)
Thereafter	(77)
	\$ (2,746)

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the Corporations proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
				\$
DB plan	0.68763%	\$ (8,038)	\$ (13,530)	(18,134)
DC RM plan	0.79810%	51	(277)	(527)
DC ODD plan	0.67357%	(278)	(295)	(309)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the Corporation's net OPEB liability using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.68763%	\$ (18,676)	\$ (13,530)	\$ (7,384)
DC RM plan	0.79810%	(562)	(277)	106
DC ODD plan	0.67357%	n/a	(295)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Post-employment Healthcare Cost:

For the year ended June 30, 2023, the Corporation recognized \$431,000 in DC OPEB costs. These amounts were recognized as expense.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$200,000 per employee per year. The Corporation has provided for an estimate of the Incurred but Not Reported ("IBNR") liability in the amount of \$3,013,000 as of June 30, 2023.

Litigation

The Corporation, in the normal course of its activities, is involved in various claims and pending litigation, the outcome of which is not presently determinable. In the opinion of management, the disposition of these matters is not presently expected to have a material adverse effect on the Corporation's financial statements.

Contingent Liabilities

The Corporation participates in several federally assisted programs. These programs are subject to program compliance audits and adjustment by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, would become a liability of the Administrative Fund. In management's opinion, disallowance, if any, will be immaterial.

Subsequent Events

The Corporation delivered its \$49,900,000 Collateralized Bonds (Veterans Mortgage Program), 2023 First Series, on July 27, 2023. The First Series Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2052, and paying interest each June 1 and December 1 at fixed rates ranging from 3.15% to 4.65%. Proceeds of the First Series Bonds will be used to finance qualified veterans mortgage loans. Principal and interest on the First Series Bonds is further secured by the unconditional guarantee of the State of Alaska.

The Corporation will deliver its \$99,995,000 State Capital Project Bonds II, 2023 Series A, on October 17, 2023. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2041, and paying interest each June 1 and December 1 at fixed rates ranging from 5.00% to 5.25%. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

23 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party with which the Corporation is doing business. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first in line in case of a loss. For the Fiscal Year 2023 property deductible increased from \$100,000 to \$250,000, general liability insurance deductible increased from \$400,000 to \$500,000, cyber security coverage increased from \$5 million to \$6 million by the carriers' response to the market conditions. The settlements have not exceeded insurance coverage during the past three years.

24 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In FY23, the Corporation adopted Statement No. 96, Subscription-Based Information Technology Arrangements. We have assessed all subscriptions as of year-end June 30, 2023. After reviewing the principles outlined in GASB 96, it was determined that the Corporation does not have any subscription that match the criteria described in this statement. As such, all subscriptions were determined by the Corporation to be immaterial for financial reporting, and all subscriptions were determined to be cancellable at any time by either party. Therefore, no assets or corresponding liabilities have been booked.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net Pension Liability (in thousands):

	2023	2022	2021	2020	2019
The Corporation's proportion of the net pension liability (asset)	0.692310%	0.783070%	0.629770%	0.656900%	0.714740%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,286	\$ 28,727	\$ 37,164	\$ 35,960	\$ 35,515
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,767	3,891	15,376	14,276	10,284
Total	\$ 45,053	\$ 32,618	\$ 52,540	\$ 50,236	\$ 45,799
The Corporation's covered employee payroll	\$ 8,888	\$ 9,602	\$ 10,681	\$ 11,680	\$ 12,583
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	397.02%	299.18%	347.94%	307.88%	282.24%
Plan fiduciary net position as a percentage of the total pension liability	67.97%	76.46%	61.61%	63.42%	65.19%
	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	13,285	6,003	10,856	22,644	26,434
Total	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 13,817	\$ 15,252	\$ 16,314	\$ 17,189	\$ 17,815
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	59.55%	63.96%	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the Pension Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,448	\$ 2,474	\$ 2,292	\$ 2,561	\$ 2,727
Contributions in relation to the contractually required contributions	3,448	2,474	2,292	2,561	2,727
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,948	8,888	9,602	10,681	11,680
Contributions as a percentage of covered-employee payroll	43.38%	27.83%	23.87%	23.98%	23.35%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This pension table presents 10 years of information.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands):

	2023	2022	2021	2020	2019
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68763%	0.78626%	0.62960%	0.65680%	0.71458%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.79810%	0.76797%	0.74451%	0.69949%	0.71095%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.67357%	0.64746%	0.60268%	0.55609%	0.71095%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,102)	\$ (20,661)	\$ (2,963)	\$ 1,007	\$ 7,286
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(3,868)	(2,642)	(1,183)	388	2,12
Total	<u>\$ (17,970)</u>	<u>\$ (23,303)</u>	<u>\$ (4,146)</u>	<u>\$ 1,395</u>	<u>\$ 9,415</u>
The Corporation's covered employee payroll	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890	\$ 20,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(65.14%)	(96.15%)	(14.21%)	4.82%	35.32%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	128.51%	135.54%	106.15%	98.13%	88.12%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	120.08%	115.10%	95.23%	83.17%	88.71%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.22%	283.80%	297.43%	270.62%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands) (cont.):

	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,173	-
Total	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the OPEB Plan (in thousands):

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 623	\$ 1,609	\$ 1,712	\$ 1,520	\$ 1,434
Contributions in relation to the contractually required contributions	623	1,609	1,712	1,520	1,434
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	21,649	21,489	20,850	20,890	20,775
Contributions as a percentage of covered-employee payroll	2.88%	7.49%	8.21%	7.28%	6.90%

	2018	2017
Contractually required contributions	\$ 1,287	\$ 1,689
Contributions in relation to the contractually required contributions	1,287	1,689
Contribution deficiency (excess)	-	-
The Corporation's covered employee payroll	20,629	21,133
Contributions as a percentage of covered-employee payroll	6.24%	7.99%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 27,707	\$ -	\$ -	\$ -	\$ -
Investments	596,696	35,301	15,586	5,286	18,841
Lease receivable	-	-	-	-	-
Accrued interest receivable	6,792	2,102	2,404	191	428
Inter-fund due (to)/from	(82,900)	7,264	9,185	1,202	1,994
Mortgage loans, notes and other loans	9,026	20,138	22,137	2,043	4,829
Other assets	1,517	-	-	-	-
Intergovernmental receivable	98	-	-	-	-
Total current	558,936	64,805	49,312	8,722	26,092
Non current					
Investments	9,928	10,000	12,163	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	247,113	651,163	715,744	66,042	156,149
Capital assets - non-depreciable	2,483	-	-	-	-
Capital assets - depreciable, net	11,002	-	-	-	-
Other assets	2,230	-	-	-	905
OPEB asset	14,102	-	-	-	-
Total non current	286,858	661,163	727,907	66,042	157,054
Total assets	845,794	725,968	777,219	74,764	183,146
Deferred Outflow Of Resources	7,437	42,611	-	-	1,783
Liabilities					
Current					
Bonds payable	-	14,865	16,230	2,885	7,435
Short term debt	128,476	-	-	-	-
Accrued interest payable	-	1,243	1,685	94	199
Other liabilities	16,637	202	214	19	45
Intergovernmental payable	-	-	-	-	-
Total current	145,113	16,310	18,129	2,998	7,679
Non current					
Bonds payable	-	430,123	621,622	38,908	54,410
Other liabilities	2,240	-	-	-	-
Derivative instrument - interest rate swaps	-	37,231	-	-	1,782
Pension liability	35,286	-	-	-	-
Total non current	37,526	467,354	621,622	38,908	56,192
Total liabilities	182,639	483,664	639,751	41,906	63,871
Deferred Inflow Of Resources	1,180	-	-	-	-
Net Position					
Net investment in capital assets	13,485	-	-	-	-
Restricted by bond resolutions	-	284,915	137,468	32,858	121,058
Restricted by contractual or statutory agreements	109,004	-	-	-	-
Unrestricted or (deficit)	546,923	-	-	-	-
Total net position	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 166	\$ 52,332	\$ 80,205
76,089	4,906	752,705
2,536	3,456	5,992
4,557	190	16,664
11,822	51,433	-
37,875	1,389	97,437
-	15,388	16,905
-	12,042	12,140
133,045	141,136	982,048
-	-	32,091
12,820	-	12,820
-	-	-
1,224,625	70,970	3,131,806
-	18,259	20,742
-	39,798	50,800
4,915	335	8,385
-	-	14,102
1,242,360	129,362	3,270,746
1,375,405	270,498	4,252,794
19,722	-	71,553
59,140	-	100,555
-	-	128,476
4,118	-	7,339
369	94,547	112,033
166	396	562
63,793	94,943	348,965
1,101,665	-	2,246,728
-	496	2,736
-	-	39,013
-	-	35,286
1,101,665	496	2,323,763
1,165,458	95,439	2,672,728
18,853	3,336	23,369
-	58,057	71,542
-	-	576,299
-	130,983	239,987
210,816	(17,317)	740,422
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**ADMINISTRATIVE FUND**

As of June 30, 2023

(in thousands of dollars)

Schedule 2

	Administrative Fund
Assets	
Current	
Cash	\$ 27,707
Investments	596,696
Lease receivable	-
Accrued interest receivable	6,792
Inter-fund due (to)/from	(82,900)
Mortgage loans, notes and other loans	9,026
Other assets	1,517
Intergovernmental receivable	98
Total current	558,936
Non current	
Investments	9,928
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	247,113
Capital assets - non-depreciable	2,483
Capital assets - depreciable, net	11,002
Other assets	2,230
OPEB asset	14,102
Total non current	286,858
Total assets	845,794
Deferred Outflow Of Resources	7,437
Liabilities	
Current	
Bonds payable	-
Short term debt	128,476
Accrued interest payable	-
Other liabilities	16,637
Intergovernmental payable	-
Total current	145,113
Non current	
Bonds payable	-
Other liabilities	2,240
Derivative instrument - interest rate swaps	-
Pension liability	35,286
Total non current	37,526
Total liabilities	182,639
Deferred Inflow Of Resources	1,180
Net Position	
Net investment in capital assets	13,485
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	109,004
Unrestricted or (deficit)	546,923
Total net position	\$ 669,412

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
HOME MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,605	2,998	2,801	3,376	4,647
Lease receivable	-	-	-	-	-
Accrued interest receivable	185	203	182	274	267
Inter-fund due (to)/from	598	557	376	1,242	1,070
Mortgage loans, notes and other loans	1,838	2,044	1,941	2,745	3,239
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	6,226	5,802	5,300	7,637	9,223
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	59,443	66,101	62,766	88,760	104,726
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	59,443	66,101	62,766	88,760	104,726
Total assets	65,669	71,903	68,066	96,397	113,949
Deferred Outflow Of Resources	135	6,648	6,647	7,938	7,105
Liabilities					
Current					
Bonds payable	-	2,145	2,145	2,555	2,670
Short term debt	-	-	-	-	-
Accrued interest payable	57	178	178	213	206
Other liabilities	19	22	19	29	30
Intergovernmental payable	-	-	-	-	-
Total current	76	2,345	2,342	2,797	2,906
Non current					
Bonds payable	25,293	61,215	61,215	72,925	69,830
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	135	5,714	5,713	6,793	6,306
Pension liability	-	-	-	-	-
Total non current	25,428	66,929	66,928	79,718	76,136
Total liabilities	25,504	69,274	69,270	82,515	79,042
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	40,300	9,277	5,443	21,820	42,012
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ -	\$ -	\$ -
4,705	13,169	35,301
-	-	-
360	631	2,102
980	2,441	7,264
3,586	4,745	20,138
-	-	-
-	-	-
9,631	20,986	64,805
-	10,000	10,000
-	-	-
-	-	-
115,942	153,425	651,163
-	-	-
-	-	-
-	-	-
-	-	-
115,942	163,425	661,163
125,573	184,411	725,968
7,105	7,033	42,611
2,670	2,680	14,865
-	-	-
206	205	1,243
37	46	202
-	-	-
2,913	2,931	16,310
69,830	69,815	430,123
-	-	-
6,306	6,264	37,231
-	-	-
76,136	76,079	467,354
79,049	79,010	483,664
-	-	-
-	-	-
53,629	112,434	284,915
-	-	-
-	-	-
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
GENERAL MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	578	2,016	2,425	8,340	1,682
Lease receivable	-	-	-	-	-
Accrued interest receivable	137	193	339	818	530
Inter-fund due (to)/from	703	699	1,405	3,780	2,100
Mortgage loans, notes and other loans	1,769	1,960	3,677	6,707	5,379
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	3,187	4,868	7,846	19,645	9,691
Non current					
Investments	-	-	-	12,163	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	57,192	63,371	118,894	216,857	173,906
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	57,192	63,371	118,894	229,020	173,906
Total assets	60,379	68,239	126,740	248,665	183,597
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,470	1,980	3,750	3,960	840
Short term debt	-	-	-	-	-
Accrued interest payable	86	205	265	431	351
Other liabilities	15	19	35	61	56
Intergovernmental payable	-	-	-	-	-
Total current	4,571	2,204	4,050	4,452	1,247
Non current					
Bonds payable	36,211	59,478	108,941	193,966	134,119
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	36,211	59,478	108,941	193,966	134,119
Total liabilities	40,782	61,682	112,991	198,418	135,366
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	19,597	6,557	13,749	50,247	48,231
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	-	\$	-
	545		15,586
	-		-
	387		2,404
	498		9,185
	2,645		22,137
	-		-
	-		-
	4,075		49,312
	-		12,163
	-		-
	-		-
	85,524		715,744
	-		-
	-		-
	-		-
	-		-
	85,524		727,907
	89,599		777,219
	-		-
	-		-
	1,230		16,230
	-		-
	347		1,685
	28		214
	-		-
	1,605		18,129
	-		-
	-		-
	88,907		621,622
	-		-
	-		-
	-		-
	88,907		621,622
	90,512		639,751
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	(913)		137,468
	-		-
	-		-
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 5

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ -	\$ -
Investments	1,765	3,521	5,286
Lease receivable	-	-	-
Accrued interest receivable	83	108	191
Inter-fund due (to)/from	344	858	1,202
Mortgage loans, notes and other loans	886	1,157	2,043
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	3,078	5,644	8,722
Non current			
Investments	-	-	-
Lease receivable	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	28,639	37,403	66,042
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
OPEB asset	-	-	-
Total non current	28,639	37,403	66,042
Total assets	31,717	43,047	74,764
Deferred Outflow Of Resources	-	-	-
Liabilities			
Current			
Bonds payable	2,045	840	2,885
Short term debt	-	-	-
Accrued interest payable	53	41	94
Other liabilities	8	11	19
Intergovernmental payable	-	-	-
Total current	2,106	892	2,998
Non current			
Bonds payable	23,990	14,918	38,908
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	23,990	14,918	38,908
Total liabilities	26,096	15,810	41,906
Deferred Inflow Of Resources	-	-	-
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	5,621	27,237	32,858
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total net position	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of June 30, 2023

(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B
Assets	
Current	
Cash	\$ -
Investments	18,841
Lease receivable	-
Accrued interest receivable	428
Inter-fund due (to)/from	1,994
Mortgage loans, notes and other loans	4,829
Other assets	-
Intergovernmental receivable	-
Total current	26,092
Non current	
Investments	-
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	156,149
Capital assets - non-depreciable	-
Capital assets - depreciable, net	-
Other assets	905
OPEB asset	-
Total non current	157,054
Total assets	183,146
Deferred Outflow Of Resources	1,783
Liabilities	
Current	
Bonds payable	7,435
Short term debt	-
Accrued interest payable	199
Other liabilities	45
Intergovernmental payable	-
Total current	7,679
Non current	
Bonds payable	54,410
Other liabilities	-
Derivative instrument - interest rate swaps	1,782
Pension liability	-
Total non current	56,192
Total liabilities	63,871
Deferred Inflow Of Resources	-
Net Position	
Net investment in capital assets	-
Restricted by bond resolutions	121,058
Restricted by contractual or statutory agreements	-
Unrestricted or (deficit)	-
Total net position	\$ 121,058

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
STATE CAPITAL PROJECT BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ 166	\$ 166
Investments	-	76,089	76,089
Lease receivable	-	2,536	2,536
Accrued interest receivable	-	4,557	4,557
Inter-fund due (to)/from	-	11,822	11,822
Mortgage loans, notes and other loans	-	37,875	37,875
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	-	133,045	133,045
Non current			
Investments	-	-	-
Lease receivable	-	12,820	12,820
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	-	1,224,625	1,224,625
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	4,915	4,915
OPEB asset	-	-	-
Total non current	-	1,242,360	1,242,360
Total assets	-	1,375,405	1,375,405
Deferred Outflow Of Resources	-	19,722	19,722
Liabilities			
Current			
Bonds payable	-	59,140	59,140
Short term debt	-	-	-
Accrued interest payable	-	4,118	4,118
Other liabilities	-	369	369
Intergovernmental payable	-	166	166
Total current	-	63,793	63,793
Non current			
Bonds payable	-	1,101,665	1,101,665
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	-	1,101,665	1,101,665
Total liabilities	-	1,165,458	1,165,458
Deferred Inflow Of Resources	-	18,853	18,853
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	210,816	210,816
Total net position	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
OTHER PROGRAM FUNDS

As of June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849
Investments	-	-	1,235	3,671	4,906
Lease receivable	83	-	-	-	83
Accrued interest receivable	-	-	28	93	121
Inter-fund due (to)/from	(1,906)	(710)	51	488	(2,077)
Mortgage loans, notes and other loans	-	-	368	988	1,356
Other assets	1,175	150	-	-	1,325
Intergovernmental receivable	912	(3)	-	-	909
Total current	17,816	12,734	1,682	5,240	37,472
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	-	-	11,907	31,948	43,855
Capital assets - non-depreciable	12,389	1,130	-	-	13,519
Capital assets - depreciable, net	29,759	9,870	-	-	39,629
Other assets	22	8	-	-	30
OPEB asset	-	-	-	-	-
Total non current	42,170	11,008	11,907	31,948	97,033
Total assets	59,986	23,742	13,589	37,188	134,505
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	960	230	4	8	1,202
Intergovernmental payable	395	1	-	-	396
Total current	1,355	231	4	8	1,598
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	6	3	-	-	9
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	6	3	-	-	9
Total liabilities	1,361	234	4	8	1,607
Deferred Inflow Of Resources	74	-	-	-	74
Net Position					
Net investment in capital assets	42,148	11,000	-	-	53,148
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	17,386	12,710	13,585	37,180	80,861
Unrestricted or (deficit)	(983)	(202)	-	-	(1,185)
Total net position	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332
-	-	-	-	-	-	4,906
-	-	-	-	-	3,373	3,456
-	-	-	-	-	69	190
(241)	(10,276)	(10,525)	74,664	53,622	(112)	51,433
-	-	33	-	33	-	1,389
643	659	4,721	7,955	13,978	85	15,388
1,545	30	9,370	186	11,131	2	12,042
2,715	(2,957)	3,602	87,464	90,824	12,840	141,136
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	967	-	967	26,148	70,970
-	-	-	-	-	4,740	18,259
-	169	-	-	169	-	39,798
-	304	-	-	304	1	335
-	-	-	-	-	-	-
-	473	2,390	-	2,863	29,466	129,362
2,715	(2,484)	5,992	87,464	93,687	42,306	270,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,385	53	89,302	92,740	605	94,547
-	-	-	-	-	-	396
-	3,385	53	89,302	92,740	605	94,943
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	3,652	53	89,302	93,007	825	95,439
-	-	-	-	-	3,262	3,336
-	169	-	-	169	4,740	58,057
-	-	-	-	-	-	-
4,386	4,589	7,608	17	16,600	33,522	130,983
(1,671)	(10,894)	(1,669)	(1,855)	(16,089)	(43)	(17,317)
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ 24,811	\$ 24,694	\$ 2,514	\$ 5,148
Investment interest	20,158	1,785	2,490	243	857
Net change in the fair value of investments	2,864	135	24	10	54
Net change of hedge termination	-	-	-	-	-
Total investment revenue	23,022	1,920	2,514	253	911
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	9	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	1,664	-	-	-	75
Total operating revenues	37,662	26,731	27,208	2,767	6,134
Operating expenses					
Interest	4,260	15,853	13,699	1,060	2,834
Mortgage and loan costs	2,915	2,542	2,519	240	567
Bond financing expenses	685	1,538	806	4	230
Provision for loan loss	(282)	(207)	689	(29)	(193)
Operations and administration	11,001	1,139	1,350	95	282
Rental housing operating expenses	-	-	-	-	-
Grant expense	6	-	-	-	-
Total operating expenses	18,585	20,865	19,063	1,370	3,720
Operating income (loss)	19,077	5,866	8,145	1,397	2,414
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Change in net position	3,056	7,726	12,648	2,556	(22,633)
Net position at beginning of year	666,356	277,189	124,820	30,302	143,691
Net position at end of period	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 56,160	\$ 1,601	\$ 127,895
9,818	611	35,962
71	-	3,158
281	-	281
10,170	611	39,401
-	143,957	143,957
-	12,700	12,700
-	11,500	11,509
-	3	3
-	1,423	3,162
66,330	171,795	338,627
42,147	-	79,853
3,572	146	12,501
1,571	-	4,834
1,562	100	1,640
1,609	32,298	47,774
-	17,175	17,175
-	138,008	138,014
50,461	187,727	301,791
15,869	(15,932)	36,836
-	-	(8,047)
2,545	22,954	-
18,414	7,022	28,789
192,402	164,701	1,599,461
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Operating Revenues	
Mortgage and loan revenue	\$ 12,967
Investment interest	20,158
Net change in the fair value of investments	2,864
Net change of hedge termination	-
Total investment revenue	<u>23,022</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	9
Gain on disposal of capital assets	-
Other revenue	1,664
Total operating revenues	<u>37,662</u>
Operating expenses	
Interest	4,260
Mortgage and loan costs	2,915
Bond financing expenses	685
Provision for loan loss	(282)
Operations and administration	11,001
Rental housing operating expenses	-
Grant expense	6
Total operating expenses	<u>18,585</u>
Operating income (loss)	<u>19,077</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	(8,047)
Interfund receipts (payments) for operations	<u>(7,974)</u>
Change in net position	3,056
Net position at beginning of year	<u>666,356</u>
Net position at end of period	<u>\$ 669,412</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 2,566	\$ 2,591	\$ 2,477	\$ 3,372	\$ 3,747
Investment interest	129	145	122	183	197
Net change in the fair value of investments	14	13	11	12	17
Net change of hedge termination	-	-	-	-	-
Total investment revenue	143	158	133	195	214
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,709	2,749	2,610	3,567	3,961
Operating expenses					
Interest	923	2,261	2,347	2,606	2,573
Mortgage and loan costs	265	265	246	352	390
Bond financing expenses	88	226	213	266	252
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Operations and administration	163	122	110	146	161
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,398	2,858	2,895	3,350	3,348
Operating income (loss)	1,311	(109)	(285)	217	613
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(403)	477	313	574	280
Change in net position	908	368	28	791	893
Net position at beginning of year	39,392	8,909	5,415	21,029	41,119
Net position at end of period	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 4,167	\$ 5,891	\$ 24,811
206	803	1,785
19	49	135
-	-	-
225	852	1,920
-	-	-
-	-	-
-	-	-
-	-	-
4,392	6,743	26,731
2,573	2,570	15,853
423	601	2,542
252	241	1,538
(22)	(59)	(207)
175	262	1,139
-	-	-
-	-	-
3,401	3,615	20,865
991	3,128	5,866
-	-	-
583	36	1,860
1,574	3,164	7,726
52,055	109,270	277,189
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 2,028	\$ 2,798	\$ 4,500	\$ 7,302	\$ 6,190
Investment interest	132	169	278	993	428
Net change in the fair value of investments	(1)	-	-	26	(1)
Net change of hedge termination	-	-	-	-	-
Total investment revenue	131	169	278	1,019	427
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,159	2,967	4,778	8,321	6,617
Operating expenses					
Interest	1,010	1,979	2,618	3,361	2,589
Mortgage and loan costs	219	261	449	772	676
Bond financing expenses	3	4	8	14	62
Provision for loan loss	(45)	(78)	(30)	(59)	10
Operations and administration	131	156	263	427	268
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,318	2,322	3,308	4,515	3,605
Operating income (loss)	841	645	1,470	3,806	3,012
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(1,279)	(1,230)	(2,822)	12,290	(3,172)
Change in net position	(438)	(585)	(1,352)	16,096	(160)
Net position at beginning of year	20,035	7,142	15,101	34,151	48,391
Net position at end of period	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	1,876	\$	24,694
	490		2,490
	-		24
	-		-
	490		2,514
	-		-
	-		-
	-		-
	-		-
	2,366		27,208
	2,142		13,699
	142		2,519
	715		806
	891		689
	105		1,350
	-		-
	-		-
	3,995		19,063
	(1,629)		8,145
	-		-
	716		4,503
	(913)		12,648
	-		124,820
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 13

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 1,000	\$ 1,514	\$ 2,514
Investment interest	80	163	243
Net change in the fair value of investments	-	10	10
Net change of hedge termination	-	-	-
Total investment revenue	80	173	253
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	1,080	1,687	2,767
Operating expenses			
Interest	652	408	1,060
Mortgage and loan costs	93	147	240
Bond financing expenses	2	2	4
Provision for loan loss	(29)	-	(29)
Operations and administration	37	58	95
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	755	615	1,370
Operating income (loss)	325	1,072	1,397
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	42	1,117	1,159
Change in net position	367	2,189	2,556
Net position at beginning of year	5,254	25,048	30,302
Net position at end of period	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

Schedule 14**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION****GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Operating Revenues	
Mortgage and loan revenue	\$ 5,148
Investment interest	857
Net change in the fair value of investments	54
Net change of hedge termination	-
Total investment revenue	911
Grant revenue	-
Housing rental subsidies	-
Rental revenue	-
Gain on disposal of capital assets	-
Other revenue	75
Total operating revenues	6,134
Operating expenses	
Interest	2,834
Mortgage and loan costs	567
Bond financing expenses	230
Provision for loan loss	(193)
Operations and administration	282
Rental housing operating expenses	-
Grant expense	-
Total operating expenses	3,720
Operating income (loss)	2,414
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	-
Interfund receipts (payments) for operations	(25,047)
Change in net position	(22,633)
Net position at beginning of year	143,691
Net position at end of period	\$ 121,058

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 15	\$ 56,145	\$ 56,160
Investment interest	-	9,818	9,818
Net change in the fair value of investments	-	71	71
Net change of hedge termination	281	-	281
Total investment revenue	281	9,889	10,170
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	296	66,034	66,330
Operating expenses			
Interest	241	41,906	42,147
Mortgage and loan costs	1	3,571	3,572
Bond financing expenses	-	1,571	1,571
Provision for loan loss	(49)	1,611	1,562
Operations and administration	1	1,608	1,609
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	194	50,267	50,461
Operating income (loss)	102	15,767	15,869
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Change in net position	(1,868)	20,282	18,414
Net position at beginning of year	1,868	190,534	192,402
Net position at end of period	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 239	\$ 1,220	\$ 1,459
Investment interest	233	199	45	123	600
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	-	-	-	-	-
Total investment revenue	233	199	45	123	600
Grant revenue	4,087	-	-	-	4,087
Housing rental subsidies	10,323	2,377	-	-	12,700
Rental revenue	9,047	2,453	-	-	11,500
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	18	-	-	-	18
Total operating revenues	23,708	5,029	284	1,343	30,364
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	29	117	146
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	17	37	54
Operations and administration	13,446	3,296	20	56	16,818
Rental housing operating expenses	14,137	3,010	-	-	17,147
Grant expense	-	-	-	-	-
Total operating expenses	27,583	6,306	66	210	34,165
Operating income (loss)	(3,875)	(1,277)	218	1,133	(3,801)
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Change in net position	(1,463)	(538)	248	913	(840)
Net position at beginning of year	60,014	24,046	13,337	36,267	133,664
Net position at end of period	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142	\$ 1,601
-	2	-	5	7	4	611
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2	-	5	7	4	611
5,965	37,415	19,726	63,764	126,870	13,000	143,957
-	-	-	-	-	-	12,700
-	-	-	-	-	-	11,500
-	3	-	-	3	-	3
-	5	728	4	737	668	1,423
5,965	37,425	20,454	63,773	127,617	13,814	171,795
-	-	-	-	-	-	-
-	-	-	-	-	-	146
-	-	-	-	-	-	-
-	-	35	-	35	11	100
2,452	6,265	3,396	3,175	15,288	192	32,298
4	21	-	-	25	3	17,175
6,693	35,285	33,585	62,445	138,008	-	138,008
9,149	41,571	37,016	65,620	153,356	206	187,727
(3,184)	(4,146)	(16,562)	(1,847)	(25,739)	13,608	(15,932)
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
(113)	(3,929)	73	(1,852)	(5,821)	13,683	7,022
2,828	(2,207)	5,866	14	6,501	24,536	164,701
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ 22,756	\$ 22,279	\$ 2,362	\$ 4,637
Principal receipts on mortgages and loans	15,940	66,938	65,515	8,872	18,632
Disbursements to fund mortgages and loans	(497,181)	-	-	-	-
Receipts (payments) for interfund loan transfers	389,596	(43,712)	(135,329)	(5,331)	(24,995)
Mortgage and loan proceeds receipts	414,480	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	-
Payroll-related disbursements	(23,138)	-	-	-	-
Payments for goods and services	(7,055)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(92,134)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	5,731	-	-	-	-
Net cash receipts (disbursements)	(211,386)	45,982	(47,535)	5,903	(1,726)
Non-capital financing activities					
Proceeds from bond issuance	-	-	90,501	-	-
Principal paid on bonds	-	(16,515)	(31,760)	(4,605)	(7,135)
Payment of bond issuance costs	(578)	-	(497)	-	-
Interest paid on bonds	(253)	(15,343)	(18,482)	(1,210)	(2,365)
Proceeds from short-term debt issuance	559,836	-	-	-	-
Payment of short term debt	(585,138)	-	-	-	-
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Transfers from (to) other funds	97,543	9,026	(4,221)	1,038	-
Net cash receipts (disbursements)	63,363	(22,832)	35,541	(4,777)	(9,500)
Capital financing activities					
Acquisition of capital assets	(181)	-	-	-	-
Proceeds from the disposal of capital assets	3	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(178)	-	-	-	-
Investing activities					
Purchase of investments	(7,299,217)	(140,800)	(142,394)	(17,608)	(52,104)
Proceeds from maturity of investments	7,425,253	116,066	152,318	16,250	62,490
Interest received from investments	19,074	1,584	2,070	232	840
Net cash receipts (disbursements)	145,110	(23,150)	11,994	(1,126)	11,226
Net Increase (decrease) in cash	(3,091)	-	-	-	-
Cash at beginning of year	30,798	-	-	-	-
Cash at end of period	\$ 27,707	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 52,645	\$ 1,337	\$ 114,767
127,069	4,854	307,820
-	-	(497,181)
(169,490)	(10,739)	-
-	-	414,480
-	-	(426,376)
-	(15,494)	(38,632)
-	(20,440)	(27,495)
-	40,546	40,546
-	30,092	30,092
-	(34,427)	(34,427)
-	92,134	-
-	(105,880)	(105,880)
17	14,177	19,925
10,241	(3,840)	(202,361)
106,744	-	197,245
(48,932)	-	(108,947)
(244)	-	(1,319)
(45,000)	-	(82,653)
-	-	559,836
-	-	(585,138)
-	-	(8,047)
(103,386)	-	-
(90,818)	-	(29,023)
-	(2,612)	(2,793)
-	3	6
(3,278)	-	(3,278)
(292)	-	(292)
3,304	-	3,304
(266)	(2,609)	(3,053)
(621,097)	(6,411)	(8,279,631)
696,606	10,802	8,479,785
5,351	606	29,757
80,860	4,997	229,911
17	(1,452)	(4,526)
149	53,784	84,731
\$ 166	\$ 52,332	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ 5,866	\$ 8,145	\$ 1,397	\$ 2,414
<i>Adjustments:</i>					
Depreciation expense	1,047	-	-	-	-
Provision for loan loss	(282)	(207)	689	(29)	(193)
Net change in the fair value of investments	(2,864)	(135)	(24)	(10)	(54)
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Interest received from investments	(19,074)	(1,584)	(2,070)	(232)	(840)
Interest paid on bonds and capital notes	253	15,343	18,482	1,210	2,365
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	20,528	(68,117)	2,883	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	4,311	(9,143)	(475)	551
Net operating cash receipts (disbursements)	\$ (211,386)	\$ 45,982	\$ (47,535)	\$ 5,903	\$ (1,726)

See accompanying notes to the financial statements.

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2023
\$	15,869	\$ (15,932)	\$ 36,836
	-	5,440	6,487
	1,562	100	1,640
	(71)	-	(3,158)
	2,545	22,954	-
	(5,351)	(606)	(29,757)
	45,292	-	82,945
	(156,905)	(18,401)	(211,083)
	107,300	2,605	(86,271)
\$	10,241	\$ (3,840)	\$ (202,361)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 8,751
Principal receipts on mortgages and loans	15,940
Disbursements to fund mortgages and loans	(497,181)
Receipts (payments) for interfund loan transfers	389,596
Mortgage and loan proceeds receipts	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)
Payroll-related disbursements	(23,138)
Payments for goods and services	(7,055)
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	(92,134)
Grant payments to other agencies	-
Other operating cash receipts (payments)	5,731
Net cash receipts (disbursements)	(211,386)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	-
Payment of bond issuance costs	(578)
Interest paid on bonds	(253)
Proceeds from short-term debt issuance	559,836
Payment of short term debt	(585,138)
Contributions to State of Alaska or State agencies	(8,047)
Transfers from (to) other funds	97,543
Net cash receipts (disbursements)	63,363
Capital financing activities	
Acquisition of capital assets	(181)
Proceeds from the disposal of capital assets	3
Interest paid on capital notes	-
Net cash receipts (disbursements)	(178)
Investing activities	
Purchase of investments	(7,299,217)
Proceeds from maturity of investments	7,425,253
Interest received from investments	19,074
Net cash receipts (disbursements)	145,110
 Net Increase (decrease) in cash	 (3,091)
Cash at beginning of year	30,798
Cash at end of period	\$ 27,707

	Administrative Fund
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 19,077
<i>Adjustments:</i>	
Depreciation expense	1,047
Provision for loan loss	(282)
Net change in the fair value of investments	(2,864)
Interfund receipts (payments) for operations	(7,974)
Interest received from investments	(19,074)
Interest paid on bonds and capital notes	253
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	(10,149)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)
Net operating cash receipts (disbursements)	\$ (211,386)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 2,354	\$ 2,364	\$ 2,295	\$ 3,087	\$ 3,425
Principal receipts on mortgages and loans	7,033	6,651	4,851	9,824	9,571
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(2,758)	(4,386)	(2,597)	(7,674)	(6,400)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,629	4,629	4,549	5,237	6,596
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(2,350)	(2,045)	(2,045)	(2,440)	(2,545)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(723)	(2,201)	(2,287)	(2,530)	(2,534)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(675)	102	101	120	115
Net cash receipts (disbursements)	(3,748)	(4,144)	(4,231)	(4,850)	(4,964)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(13,225)	(12,263)	(10,026)	(16,431)	(18,031)
Proceeds from maturity of investments	10,217	11,630	9,585	15,862	16,201
Interest received from investments	127	148	123	182	198
Net cash receipts (disbursements)	(2,881)	(485)	(318)	(387)	(1,632)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 3,837	\$ 5,394	\$ 22,756
11,029	17,979	66,938
-	-	-
(8,219)	(11,678)	(43,712)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,647	11,695	45,982
-	-	-
(2,545)	(2,545)	(16,515)
-	-	-
(2,534)	(2,534)	(15,343)
-	-	-
-	-	-
-	-	-
112	9,151	9,026
(4,967)	4,072	(22,832)
-	-	-
-	-	-
-	-	-
-	-	-
(19,740)	(51,084)	(140,800)
17,851	34,720	116,066
209	597	1,584
(1,680)	(15,767)	(23,150)
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,311	\$ (109)	\$ (285)	\$ 217	\$ 613
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Net change in the fair value of investments	(14)	(13)	(11)	(12)	(17)
Interfund receipts (payments) for operations	(403)	477	313	574	280
Interest received from investments	(127)	(148)	(123)	(182)	(198)
Interest paid on bonds and capital notes	723	2,201	2,287	2,530	2,534
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	4,068	1,613	2,113	1,996	2,774
Net increase (decrease) in assets, liabilities, and deferred resources	1,112	624	276	134	638
Net operating cash receipts (disbursements)	\$ 6,629	\$ 4,629	\$ 4,549	\$ 5,237	\$ 6,596

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 991	\$ 3,128	\$ 5,866
-	-	-
(22)	(59)	(207)
(19)	(49)	(135)
583	36	1,860
(209)	(597)	(1,584)
2,534	2,534	15,343
2,156	5,808	20,528
633	894	4,311
\$ 6,647	\$ 11,695	\$ 45,982

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,847	\$ 2,606	\$ 4,120	\$ 6,647	\$ 5,566
Principal receipts on mortgages and loans	7,258	9,924	13,040	20,337	14,285
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(3,097)	(1,077)	(9,987)	(15,775)	(15,513)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,008	11,453	7,173	11,209	4,338
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(6,055)	(7,970)	(5,080)	(10,120)	(2,220)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(1,132)	(2,643)	(3,286)	(5,332)	(4,245)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(3)	(9)	(5)	13,929	(8)
Net cash receipts (disbursements)	(7,190)	(10,622)	(8,371)	(1,523)	(6,473)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(9,968)	(15,257)	(20,344)	(52,960)	(21,912)
Proceeds from maturity of investments	11,022	14,262	21,284	42,559	23,662
Interest received from investments	128	164	258	715	385
Net cash receipts (disbursements)	1,182	(831)	1,198	(9,686)	2,135
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 1,493	\$ 22,279
671	65,515
-	-
(89,880)	(135,329)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(87,716)	(47,535)
90,501	90,501
(315)	(31,760)
(497)	(497)
(1,844)	(18,482)
-	-
-	-
-	-
(18,125)	(4,221)
69,720	35,541
-	-
-	-
-	-
-	-
(21,953)	(142,394)
39,529	152,318
420	2,070
17,996	11,994
-	-
-	-
\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ -	\$ 841	\$ 645	\$ 1,470	\$ 3,806
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	-	(45)	(78)	(30)	(59)
Net change in the fair value of investments	-	1	-	-	(26)
Interfund receipts (payments) for operations	-	(1,279)	(1,230)	(2,822)	12,290
Interest received from investments	-	(128)	(164)	(258)	(715)
Interest paid on bonds and capital notes	-	1,132	2,643	3,286	5,332
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	4,432	7,764	2,981	5,852
Net increase (decrease) in assets, liabilities, and deferred resources	-	1,054	1,873	2,546	(15,271)
Net operating cash receipts (disbursements)	\$ -	\$ 6,008	\$ 11,453	\$ 7,173	\$ 11,209

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B	General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 3,012	\$ (1,629)	\$ 8,145
-	-	-
10	891	689
1	-	(24)
(3,172)	716	4,503
(385)	(420)	(2,070)
4,245	1,844	18,482
(977)	(88,169)	(68,117)
1,604	(949)	(9,143)
<u>\$ 4,338</u>	<u>\$ (87,716)</u>	<u>\$ (47,535)</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 927	\$ 1,435	\$ 2,362
Principal receipts on mortgages and loans	3,962	4,910	8,872
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	(873)	(4,458)	(5,331)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net cash receipts (disbursements)	4,016	1,887	5,903
Non-capital financing activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(2,015)	(2,590)	(4,605)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(654)	(556)	(1,210)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	(2)	1,040	1,038
Net cash receipts (disbursements)	(2,671)	(2,106)	(4,777)
Capital financing activities			
Acquisition of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Net cash receipts (disbursements)	-	-	-
Investing activities			
Purchase of investments	(4,975)	(12,633)	(17,608)
Proceeds from maturity of investments	3,556	12,694	16,250
Interest received from investments	74	158	232
Net cash receipts (disbursements)	(1,345)	219	(1,126)
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 325	\$ 1,072	\$ 1,397
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(29)	-	(29)
Net change in the fair value of investments	-	(10)	(10)
Interfund receipts (payments) for operations	42	1,117	1,159
Interest received from investments	(74)	(158)	(232)
Interest paid on bonds and capital notes	654	556	1,210
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	2,886	(3)	2,883
Net increase (decrease) in assets, liabilities, and deferred resources	212	(687)	(475)
Net operating cash receipts (disbursements)	\$ 4,016	\$ 1,887	\$ 5,903

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 4,637
Principal receipts on mortgages and loans	18,632
Disbursements to fund mortgages and loans	-
Receipts (payments) for interfund loan transfers	(24,995)
Mortgage and loan proceeds receipts	-
Mortgage and loan proceeds paid to trust funds	-
Payroll-related disbursements	-
Payments for goods and services	-
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	-
Grant payments to other agencies	-
Other operating cash receipts (payments)	-
Net cash receipts (disbursements)	(1,726)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	(7,135)
Payment of bond issuance costs	-
Interest paid on bonds	(2,365)
Proceeds from short-term debt issuance	-
Payment of short term debt	-
Contributions to State of Alaska or State agencies	-
Transfers from (to) other funds	-
Net cash receipts (disbursements)	(9,500)
Capital financing activities	
Acquisition of capital assets	-
Principal paid on capital notes	-
Interest paid on capital notes	-
Net cash receipts (disbursements)	-
Investing activities	
Purchase of investments	(52,104)
Proceeds from maturity of investments	62,490
Interest received from investments	840
Net cash receipts (disbursements)	11,226
Net Increase (decrease) in cash	-
Cash at beginning of year	-
Cash at end of period	\$ -

	Governmental Purpose Bonds 2001 A & B
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 2,414
<i>Adjustments:</i>	
Depreciation expense	-
Provision for loan loss	(193)
Net change in the fair value of investments	(54)
Interfund receipts (payments) for operations	(25,047)
Interest received from investments	(840)
Interest paid on bonds and capital notes	2,365
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	551
Net operating cash receipts (disbursements)	\$ (1,726)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 24	\$ 52,621	\$ 52,645
Principal receipts on mortgages and loans	51	127,018	127,069
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	-	(169,490)	(169,490)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	17	17
Net cash receipts (disbursements)	75	10,166	10,241
Non-capital financing activities			
Proceeds from bond issuance	-	106,744	106,744
Principal paid on bonds	(247)	(48,685)	(48,932)
Payment of bond issuance costs	-	(244)	(244)
Interest paid on bonds	(21)	(44,979)	(45,000)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	3,008	(106,394)	(103,386)
Net cash receipts (disbursements)	2,740	(93,558)	(90,818)
Capital financing activities			
Principal paid on capital notes	(3,278)	-	(3,278)
Interest paid on capital notes	(292)	-	(292)
Proceeds from direct financing leases	-	3,304	3,304
Net cash receipts (disbursements)	(3,570)	3,304	(266)
Investing activities			
Purchase of investments	(106)	(620,991)	(621,097)
Proceeds from maturity of investments	861	695,745	696,606
Interest received from investments	-	5,351	5,351
Net cash receipts (disbursements)	755	80,105	80,860
Net Increase (decrease) in cash	-	17	17
Cash at beginning of year	-	149	149
Cash at end of period	\$ -	\$ 166	\$ 166

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

Schedule 23

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 102	\$ 15,767	\$ 15,869
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(49)	1,611	1,562
Net change in the fair value of investments	-	(71)	(71)
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Interest received from investments	-	(5,351)	(5,351)
Interest paid on bonds and capital notes	313	44,979	45,292
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	4,853	(161,758)	(156,905)
Net increase (decrease) in assets, liabilities, and deferred resources	(3,174)	110,474	107,300
Net operating cash receipts (disbursements)	\$ 75	\$ 10,166	\$ 10,241

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 213	\$ 1,124	\$ 1,337
Principal receipts on mortgages and loans	-	-	1,070	3,784	4,854
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(2,726)	(8,013)	(10,739)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(7,895)	(1,851)	-	-	(9,746)
Payments for goods and services	(13,010)	(2,786)	-	-	(15,796)
Receipts from externally funded programs	13,347	2,392	-	-	15,739
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	1,172	(45)	-	-	1,127
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	8,411	2,410	-	-	10,821
Net cash receipts (disbursements)	2,025	120	(1,443)	(3,105)	(2,403)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(2,487)	-	-	-	(2,487)
Proceeds from the disposal of capital assets	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	(2,487)	-	-	-	(2,487)
Investing activities					
Purchase of investments	-	-	(1,326)	(5,085)	(6,411)
Proceeds from maturity of investments	-	-	2,726	8,076	10,802
Interest received from investments	237	200	43	114	594
Net cash receipts (disbursements)	237	200	1,443	3,105	4,985
Net Increase (decrease) in cash	(225)	320	-	-	95
Cash at beginning of year	17,777	12,977	-	-	30,754
Cash at end of period	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337
-	-	-	-	-	-	4,854
-	-	-	-	-	-	-
-	-	-	-	-	-	(10,739)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(73)	(4,154)	(812)	(591)	(5,630)	(118)	(15,494)
(416)	(823)	(743)	(2,586)	(4,568)	(76)	(20,440)
4,840	7,346	12,621	-	24,807	-	40,546
-	30,092	-	-	30,092	-	30,092
-	(34,427)	-	-	(34,427)	-	(34,427)
2,185	4,188	23,959	62,198	92,530	(1,523)	92,134
(6,748)	(858)	(35,445)	(62,829)	(105,880)	-	(105,880)
-	5	420	4	429	2,927	14,177
(212)	1,369	-	(3,804)	(2,647)	1,210	(3,840)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(125)	-	-	(125)	-	(2,612)
-	3	-	-	3	-	3
-	-	-	-	-	-	-
-	(122)	-	-	(122)	-	(2,609)
-	-	-	-	-	-	(6,411)
-	-	-	-	-	-	10,802
-	2	-	5	7	5	606
-	2	-	5	7	5	4,997
(212)	1,249	-	(3,799)	(2,762)	1,215	(1,452)
980	5,381	3	8,458	14,822	8,208	53,784
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**OTHER PROGRAM FUNDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ (3,875)	\$ (1,277)	\$ 218	\$ 1,133	\$ (3,801)
<i>Adjustments:</i>					
Depreciation expense	4,176	1,183	-	-	5,359
Provision for loan loss	-	-	17	37	54
Net change in the fair value of investments	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Interest received from investments	(237)	(200)	(43)	(114)	(594)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(1,634)	(3,670)	(5,304)
Net increase (decrease) in assets, liabilities, and deferred resources	(451)	(325)	(31)	(271)	(1,078)
Net operating cash receipts (disbursements)	\$ 2,025	\$ 120	\$ (1,443)	\$ (3,105)	\$ (2,403)

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ (3,184)	\$ (4,146)	\$ (16,562)	\$ (1,847)	\$ (25,739)	\$ 13,608	\$ (15,932)
-	81	-	-	81	-	5,440
-	-	35	-	35	11	100
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
-	(2)	-	(5)	(7)	(5)	(606)
-	-	-	-	-	-	-
-	-	34	-	34	(13,131)	(18,401)
(99)	5,219	(142)	(1,947)	3,031	652	2,605
\$ (212)	\$ 1,369	\$ -	\$ (3,804)	\$ (2,647)	\$ 1,210	\$ (3,840)

Other Information

Entity-wide amounts at year-end are presented below for informational purposes (in thousands):

	2023	2022	2021	2020	2019
Assets					
Cash	\$ 80,205	\$ 84,731	\$ 108,769	\$ 73,772	\$ 74,259
Investments	784,796	981,786	1,033,065	871,387	562,671
Accrued interest receivable	16,664	14,791	14,850	16,183	15,831
Mortgage loans, notes and other loans	3,229,243	3,018,160	2,995,561	3,256,290	3,342,961
Net investment in direct financing lease	-	-	20,287	22,468	24,780
Capital assets, net	71,542	75,158	81,177	87,061	94,036
Other assets	70,344	66,358	38,510	21,455	21,255
Total Assets	4,252,794	4,240,984	4,292,219	4,348,616	4,135,793
Deferred Outflow of Resources	71,553	111,512	210,255	261,327	186,739
Liabilities					
Bonds and notes payable	2,347,283	2,277,492	2,366,206	2,572,813	2,461,125
Short term debt	128,476	149,771	130,697	115,366	49,469
Accrued interest payable	7,339	6,013	6,681	7,257	8,388
Other liabilities	150,617	202,682	211,197	70,401	70,059
Derivative instrument - interest rate swaps	39,013	73,728	168,250	234,281	158,349
Total Liabilities	2,672,728	2,709,686	2,883,031	3,000,118	2,747,390
Deferred Inflow of Resources	23,369	43,349	3,512	2,861	3,719
Total Net Position	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931	\$ 1,606,964	\$ 1,571,423
Operating Revenues					
Mortgage and loans revenue	\$ 127,895	\$ 120,874	\$ 132,258	\$ 147,068	\$ 146,042
Investment interest	35,962	3,440	5,669	13,031	17,404
Net change in fair value of investments	3,158	820	(2,158)	1,922	(838)
Net change of hedge termination	281	875	579	(177)	(278)
Total Investment Revenue	39,401	5,135	4,090	14,776	16,288
Externally funded programs	156,657	283,006	154,023	76,113	77,143
Rental	11,509	11,280	11,219	11,512	11,926
Other	3,165	4,347	4,490	1,607	4,634
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Operating Expenses					
Interest	79,853	60,780	70,987	81,137	76,831
Mortgage and loan costs	12,501	11,767	11,342	14,763	12,034
Operations and administration	47,774	48,911	50,360	40,958	44,781
Financing expenses	4,834	4,923	6,033	5,163	6,054
Provision for loan loss	1,640	485	(2,761)	(6,639)	(5,740)
Housing grants and subsidies	138,014	276,268	143,129	63,800	72,198
Rental housing operating expenses	17,175	19,274	17,012	16,353	15,042
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Non-Operating & Special Item					
Contribution to State or State agency	(8,047)	(933)	(1,011)	-	(2,106)
Change in Net Position	\$ 28,789	\$ 1,301	\$ 8,967	\$ 35,541	\$ 32,727

FORMS OF OPINIONS OF BOND COUNSEL

On the date of issuance of the 2024 Series A Bonds and 2024 Series B Bonds, Bond Counsel proposes to issue an approving opinion in substantially the following form:

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alaska (the “State”) and a record of proceedings relating to the issuance of \$75,000,000 aggregate principal amount of General Mortgage Revenue Bonds II, 2024 Series A (the “2024 Series A Bonds”) and \$48,120,000 aggregate principal amount of General Mortgage Revenue Bonds II, 2024 Series B (the “2024 Series B Bonds” and, together with the 2024 Series A Bonds, the “Bonds”) of the Alaska Housing Finance Corporation (the “Corporation”), a public corporation and government instrumentality of the State created by and existing under Alaska Statutes 18.55 and 18.56, as amended (the “Act”). The 2024 Series B Bonds consist of \$15,000,000 aggregate principal amount of the Corporation’s General Mortgage Revenue Bonds II, 2024 Series B-1 and \$33,120,000 aggregate principal amount of the Corporation’s General Mortgage Revenue Bonds II, 2024 Series B-2.

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Bonds are authorized and issued pursuant to the Act and a resolution of the Corporation adopted November 29, 2023, and are issued pursuant to the Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of July 1, 2012, and the 2024 Series A Supplemental Indenture by and between the Corporation and the Trustee, dated as of March 1, 2024, and the 2024 Series B Supplemental Indenture by and between the Corporation and the Trustee, dated as of March 1, 2024, executed pursuant to said Indenture (together, the “Indenture”).

The Bonds mature and are subject to redemption as provided in the Indenture.

Capitalized terms used herein and not defined herein are used as defined in the Indenture.

Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the Bonds in order for interest on the Bonds not to be included in gross income for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The Corporation has covenanted that it will comply with such requirements and that it will do all things permitted by law and necessary or desirable to ensure that interest on the Bonds will be, and remain, not included in gross income for federal income tax purposes, under Section 103 of the Code. We have examined the program documentation adopted by the Corporation, which, in our opinion, establishes procedures and covenants under which, if followed, such requirements can be met. In rendering this opinion, we have assumed compliance with, and enforcement of, the provisions of such program procedures and covenants.

As to any facts material to our opinion, we have relied upon, and assumed compliance with, various statements, representations and covenants of officers and other representatives of the Corporation including without limitation those contained in the Indenture, the Corporation's Tax Regulatory Agreement and No Arbitrage Certificate as to matters affecting the tax-exempt status of the Bonds, the Corporation's Regulations and Program Materials and the certified proceedings and other certifications of public officials and certifications by officers of the Corporation furnished to us (which are material to the opinion expressed below) without undertaking to verify the same by independent investigation.

Subject to the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State of Alaska (the "State"), the Corporation has been duly created, organized, and validly exists as a public corporation and government instrumentality in good standing under the laws of the State, performing an essential public function with full corporate power and authority under the Act, among other things, to enter into, and to perform its obligations under the terms and conditions of, the Indenture.

2. The Indenture has been duly authorized, executed and delivered, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors' rights generally from time to time in effect).

3. The Bonds have been duly and validly authorized, sold and issued by the Corporation in accordance with the Indenture and Constitution and laws of the State, including the Act and, pursuant to the Act, are issued by a public corporation and government instrumentality of the State for an essential public and governmental purpose.

4. Subject to agreements heretofore or hereafter made with the holders of any notes or other bonds of the Corporation pledging any particular revenues or assets not pledged under the Indenture and the exclusion by the Act of a pledge of funds in the Housing Development Fund (as described in the Act), the Bonds are valid and legally binding general obligations of the Corporation for the payment of which, in accordance with their terms, the full faith and credit of the Corporation have been legally and validly pledged, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Indenture.

5. The Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates a valid pledge of a lien on all funds established by the Indenture and moneys and securities therein which the Indenture purports to create, to the extent and on the terms provided therein.

6. Under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes.

7. Interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

8. Under existing laws, interest on the Bonds is free from taxation of every kind by the State, and by municipalities and all other political subdivisions of the State (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

9. Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken, upon the advice or with the opinion of counsel. Except to the extent of our concurrence therewith, we express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken upon the advice or approval of other counsel.

Very truly yours,

On the date of issuance of the 2024 Series C Bonds, Bond Counsel proposes to issue an approving opinion in substantially the following form:

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alaska (the “State”) and a record of proceedings relating to the issuance of \$120,000,000 aggregate principal amount of General Mortgage Revenue Bonds II, 2024 Series C (the “Bonds”) of the Alaska Housing Finance Corporation (the “Corporation”), a public corporation and government instrumentality of the State created by and existing under Alaska Statutes 18.55 and 18.56, as amended (the “Act”).

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Bonds are authorized and issued pursuant to the Act and a resolution of the Corporation adopted November 29, 2023, and are issued pursuant to the Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of July 1, 2012, and the 2024 Series C Supplemental Indenture by and between the Corporation and the Trustee, dated as of February 1, 2024, executed pursuant to said Indenture (together, the “Indenture”).

The Bonds mature and are subject to redemption as provided in the Indenture.

Capitalized terms used herein and not defined herein are used as defined in the Indenture.

As to any facts material to our opinion, we have relied upon, and assumed compliance with, various statements, representations and covenants of officers and other representatives of the Corporation including without limitation those contained in the Indenture, the Corporation’s Regulations and Program Materials and the certified proceedings and other certifications of public officials and certifications by officers of the Corporation furnished to us (which are material to the opinion expressed below) without undertaking to verify the same by independent investigation.

Subject to the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State of Alaska (the “State”), the Corporation has been duly created, organized, and validly exists as a public corporation and government instrumentality in good standing under the laws of the State, performing an essential public function with full corporate power and authority under the Act, among other things, to enter into, and to perform its obligations under the terms and conditions of, the Indenture.

2. The Indenture has been duly authorized, executed and delivered, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors’ rights generally from time to time in effect).

3. The Bonds have been duly and validly authorized, sold and issued by the Corporation in accordance with the Indenture and Constitution and laws of the State, including the Act and, pursuant to

the Act, are issued by a public corporation and government instrumentality of the State for an essential public and governmental purpose.

4. Subject to agreements heretofore or hereafter made with the holders of any notes or other bonds of the Corporation pledging any particular revenues or assets not pledged under the Indenture and the exclusion by the Act of a pledge of funds in the Housing Development Fund (as described in the Act), the Bonds are valid and legally binding general obligations of the Corporation for the payment of which, in accordance with their terms, the full faith and credit of the Corporation have been legally and validly pledged, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Indenture.

5. The Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates a valid pledge of a lien on all funds established by the Indenture and moneys and securities therein which the Indenture purports to create, to the extent and on the terms provided therein.

6. Interest on the Bonds is *included* in gross income for federal income tax purposes.

7. Under existing laws, interest on the Bonds is free from taxation of every kind by the State, and by municipalities and all other political subdivisions of the State (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

Very truly yours,

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FORMS OF CONTINUING DISCLOSURE CERTIFICATES

The Corporation expects to execute and deliver a Continuing Disclosure Certificate with respect to the 2024 Series A Bonds and 2024 Series B Bonds in substantially the following form:

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Alaska Housing Finance Corporation (the “Corporation”) in connection with the issuance of \$75,000,000 aggregate principal amount of its General Mortgage Revenue Bonds II, 2024 Series A and \$48,120,000 aggregate principal amount of its General Mortgage Revenue Bonds II, 2024 Series B (collectively, the “Subject Bonds”). The Subject Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of July 1, 2012, a 2024 Series A Supplemental Indenture, dated as of March 1, 2024, by and between the Corporation and the Trustee, and a 2024 Series B Supplemental Indenture, dated as of March 1, 2024, by and between the Corporation and the Trustee (collectively, the “Indenture”). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Subject Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Subject Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Disclosure Representative” shall mean the Executive Director/Chief Executive Officer of the Corporation or his or her designee.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“Fiscal Year” shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

“Listed Events” shall mean any of the events listed in Section 5 of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Subject Bonds, dated January 24, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 180 days after the Fiscal Year to which it relates. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) financial information regarding the Mortgage Loans of the same type as provided in the Official Statement under the caption "Acquired Obligations," (iv) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (v) the amount and type of investments in the Debt Service Reserve Fund and the Special Reserve Fund, (vi) the outstanding principal balances of each maturity of Subject Bonds and the sinking fund installment amounts as applicable, and (vii) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Subject Bonds or any other bonds of the Corporation;
2. Non-payment related defaults under the Indenture and any Supplemental Indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of

determinations with respect to the tax status of the Subject Bonds, or other material events affecting the tax status of the Subject Bonds;

7. Modifications to rights of Subject Bondholders, if material;
8. Subject Bond calls, if material, and tender offers;
9. Defeasances of Subject Bonds;
10. Release, substitution or sale of property securing repayment of the Subject Bonds, if material;
11. Rating changes for the Subject Bonds;
12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Subject Bonds.

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Subject Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Subject Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Subject Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. *Except* as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Subject Bonds, or by the Trustee on behalf of the registered owners of Outstanding Subject Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Subject Bonds; *provided, however*, that the Trustee shall not be required to take any enforcement action *except* at the direction of the registered owners of not less than 25% in aggregate principal amount of the Subject Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, *provided* that, to the extent this

Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Subject Bonds, and shall create no rights in any other person or entity.

Date: March 5, 2024

ALASKA HOUSING FINANCE CORPORATION

By: _____

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: \$123,120,000 General Mortgage Revenue Bonds II, 2024 Series A and
2024 Series B

Date of Issuance: March 5, 2024

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

The Corporation expects to execute and deliver a Continuing Disclosure Certificate with respect to the 2024 Series C Bonds in substantially the following form:

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Alaska Housing Finance Corporation (the “Corporation”) in connection with the issuance of \$120,000,000 aggregate principal amount of its General Mortgage Revenue Bonds II, 2024 Series C (the “Subject Bonds”). The Subject Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of July 1, 2012, and a 2024 Series C Supplemental Indenture, dated as of February 1, 2024, by and between the Corporation and the Trustee (collectively, the “Indenture”). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Subject Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Subject Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Disclosure Representative” shall mean the Executive Director/Chief Executive Officer of the Corporation or his or her designee.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“Fiscal Year” shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

“Listed Events” shall mean any of the events listed in Section 5 of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Subject Bonds, dated January 24, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 180 days after the Fiscal Year to which it relates. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial

statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) financial information regarding the Mortgage Loans of the same type as provided in the Official Statement under the caption "Acquired Obligations," (iv) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (v) the amount and type of investments in the Debt Service Reserve Fund and the Special Reserve Fund, (vi) the outstanding principal balances of each maturity of Subject Bonds and the sinking fund installment amounts as applicable, and (vii) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Subject Bonds or any other bonds of the Corporation;
2. Non-payment related defaults under the Indenture and any Supplemental Indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Subject Bonds, or other material events affecting the tax status of the Subject Bonds;
7. Modifications to rights of Subject Bondholders, if material;
8. Subject Bond calls, if material, and tender offers;

9. Defeasances of Subject Bonds;
10. Release, substitution or sale of property securing repayment of the Subject Bonds, if material;
11. Rating changes for the Subject Bonds;
12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Subject Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

- (a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Subject Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Subject Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Subject Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. *Except* as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Subject Bonds, or by the Trustee on behalf of the registered owners of Outstanding Subject Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Subject Bonds; *provided, however*, that the Trustee shall not be required to take any enforcement action *except* at the direction of the registered owners of not less than 25% in aggregate principal amount of the Subject Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, *provided* that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Subject Bonds, and shall create no rights in any other person or entity.

Date: February 1, 2024

ALASKA HOUSING FINANCE CORPORATION

By: _____

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: \$120,000,000 General Mortgage Revenue Bonds II, 2024 Series C

Date of Issuance: February 1, 2024

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

