



Utah Housing Corporation

Monthly Board Meeting

October 3, 2024

Utah Housing Corporation

2479 Lake Park Blvd

West Valley City, UT 84120

**NOTICE OF MONTHLY MEETING
UTAH HOUSING CORPORATION
OCTOBER 3, 2024**

PUBLIC NOTICE is hereby given that Utah Housing Corporation (UHC) will hold a Monthly Meeting commencing at 1:30 p.m., Thursday, October 3, 2024.

Trustees of UHC will participate via in person or video conference originated by the President. Within the meanings accorded by Utah law, the Meeting shall be an Electronic Meeting, and the Anchor Location shall be the UHC Offices at 2479 South Lake Park Blvd., West Valley City, Utah. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify UHC not less than 24 hours prior to the meeting.

To join the meeting via Zoom, please go to

<https://us02web.zoom.us/j/85399815164?pwd=RSfTcktJUjJCTm9UeS0amJLUk9NQTO9>

The agenda will be substantially as follows:

1. Approval of Minutes:
 - Monthly Board Meeting, September 5, 2024
2. Disclosure of Trustees' Interests
3. Report of Audit Committee; Results of annual audit performed by Deloitte
4. Resolution 2024-26, Promontory Place, authorizing the issuance and sale of Multifamily Housing Revenue Bonds, in an aggregate principal amount not to exceed \$42,350,000.
5. Resolution 2024-27, Authorizing the Reservation of Federal Low-Income Housing Tax Credits
6. Non-Action Items/Reports

UTAH HOUSING CORPORATION



David C. Damschen
President & CEO

UTAH HOUSING CORPORATION
Minutes of Annual Board Meeting
September 5, 2024

PARTICIPANTS

UHC Trustees in Person:

Patricia Sheffield, Chair
Annette Lowder, Vice Chair
Darryle Rude, Trustee
Kirt Slauch, Designee-Trustee
Steve Waldrip, Designee-Trustee
Jessica Norie, Trustee
Rob Allphin, Trustee
Lori Fleming, Trustee
Jonathan Hardy, Trustee

UHC Trustees via Teleconference

UHC Trustee—Excused

Guests in Person:

Clay Hardman, Gilmore & Bell
Jacob Carlton, Gilmore & Bell
Jane Hopkins, Gilmore & Bell
Ansel Caine, Caine Mitter
Cortland Fry, Governor's Office of
Planning
And Budget
Ian Peterson, Western Region
Non-Profit Housing Corporation

Guests Via Teleconference:

Marion Willey (Utah Nonprofit Housing Corporation)
Daniel Herbert-Voss (UT Dept. of Workforce Services)
Brett Warby (Leavitt Group)
Amy Rowland (Community Development Finance Alliance)
Bill Knowlton (Pathway Communities)
Jeff Ryan (Chelsea Investment Company)
Troy Hart (Housing Connect)
Rusty Snow (Lincoln Avenue Communities)
Brian Windley (Enterprise Housing Credit Investments)
Jonah Robison (J. Fisher Companies)
Tommy Marcheschi (Alta Bay Capital)
Thompson Gooding (Park Terrace Companies)
Jessie Cohen (Lincoln Avenue Communities)
Justin Schiessler (Spire Development)
Ryan Laber (Spire Development)
Jamie Ney (Alta Bay Capital)
Marcus Lonardo (Affordable Housing Specialist)
Tim Price (Housing Authority of the City of Ogden)
Seth Atkinson (TWG Development)
Jereme Thaxton (Alta Bay Capital)
Dominic Kej (TWG Development)

UHC Staff in Person:

David Damschen, President and CEO
Jonathan Hanks, Senior Vice President and COO
Andrew Nestlehut, Senior Vice President and CFO
Rhonda Pregeant, Executive Assistant/Records Officer
Valerie Terry, VP Internal Audit
Claudia O'Grady, VP Multifamily Finance & Development
Matt Maher, VP Capital Markets
Anna Sullivan, Housing Credit Allocation Manager

UHC Staff via Teleconference:

Ariane Gibson, VP Financial Services/Controller

UHC Staff—Excused

David Potter (Chelsea Investment Company)
Matthew Klein (Lincoln Avenue Communities)
Betsy Olsen (Frederick H. Olsen Group)
Robert Tippetts (The Knowlton Group)
McKenna Marchant (UT Dept. of Workforce Services)
Zack Waldher (J. Fisher Companies)
Nicholas Berger (Rocky Mountain Community Reinvestment Corporation)
Natasha Pfeiffer (Rocky Mountain Community Reinvestment Corporation)

Trustees of Utah Housing Corporation (UHC or Utah Housing) and UHC staff met on Thursday, September 5, 2024, at 12:00 PM MDT with attendance in person and via teleconference. In accordance with Utah's Open and Public Meetings Act (OPMA), the meeting was an electronic meeting, and the anchor location was Utah Housing Corporation, 2479 S. Lake Park Blvd., West Valley City, UT 84120.

Patricia Sheffield, Board Chair, called the meeting to order and welcomed everyone. The Chair then asked Mr. Damschen to confirm compliance with the Open and Public Meetings Act (OPMA).

Mr. Damschen reported that Notice and Agenda of the Monthly Meeting and material addressing agenda items had been distributed to Trustees and posted on the Utah Public Notice website in advance of the meeting in compliance with the OPMA.

The Chair then determined for the record that a quorum of Trustees was present, as follows:

Patricia Sheffield, Chair
Annette Lowder, Vice Chair
Darryle Rude, Trustee
Kirt Slaugh, Designee-Trustee
Steve Waldrip, Designee-Trustee
Jessica Norie, Trustee
Rob Allphin, Trustee
Lori Fleming, Trustee
Jonathan Hardy, Trustee

The Chair excused the following trustees:
None

The Chair called for the first agenda item.

1. Training

- Annual Open Public Meetings Act Compliance Training
- Uninsured Bank Deposit Risk
- Low-Income Housing Tax Credit

2. Approval of the Minutes of the June 6, 2024 Annual Meeting

The Trustees had been provided with a copy of the written minutes of the June 6, 2024 Annual Meeting in their board packets. The Trustees acknowledged they had sufficient time to review these minutes. Ms. Sheffield asked for any discussion on the minutes as presented.

Following any further discussion, the Chair called for a motion.

MOTION: TO APPROVE THE WRITTEN MINUTES OF THE ANNUAL MEETING OF JUNE 6, 2024

Made by: Steve Waldrup
Seconded by: Rob Allphin

Ms. Sheffield called for a vote on the motion:

Voted in Favor of the Motion:	Voted Against the Motion:	Abstained From Voting:
Darryle Rude Kirt Slaugh Steve Waldrup Jessica Norie Rob Allphin Lori Fleming Jonathan Hardy Annette Lowder Patricia Sheffield		

3. Disclosure of Trustees' Interests

Ms. Sheffield stated that the consolidated list of the disclosures of interests on file for each Trustee are contained in the board packet, and subject to any changes, will be attached to the minutes of this meeting.

Mrs. Pregeant asked each Trustee to affirm that their respective disclosures of interest on file were current. Each Trustee was called on and they responded as follows:

Darryle Rude	Yes
Kirt Slaugh	Yes
Steve Waldrup	Yes
Jessica Norie	Yes
Rob Allphin	Yes
Lori Fleming	Yes
Jonathan Hardy	Yes
Annette Lowder	Yes
Patricia Sheffield	Yes

The following is a consolidated list of the disclosures of interest on file for each Trustee:

Name of Trustee	Nature of Interest or Potential Interest
Patricia Sheffield (chair)	Presently retired from any employment and has no interests in any transactions with the Corporation.
Annette Lowder (vice chair)	Presently serving as Board Advisor of InterCap Lending, Inc., a mortgage lender doing business in the state of Utah. InterCap Lending may originate mortgage loans for sale to the Corporation under its programs.

Jonathan Hardy	Presently serves as a consultant on affordable housing projects for BCG Holdings and its related real estate entities. This may include the application and management of projects that may seek and obtain low-income housing tax credits and tax-exempt bond financing from the Corporation. Current projects allocated include Victory Heights and Silos Affordable.
Jessica Norie	Presently serving as President of Artspace, a nonprofit which creates affordable live and work space to revitalize and promote stable, vibrant and safe communities. Artspace may be involved in the use of low-income housing tax credits and tax-exempt bond financing for affordable housing, and may manage housing or develop housing under the Corporation's programs.
Rob Allphin	Presently serving as an Executive Vice President of Momentum Loans, a mortgage lender doing business in the state of Utah. Momentum Loans may originate mortgage loans for sale to the Corporation under the Corporation's program.
Lori Fleming	Presently serving as an Associate Broker with Golden Spike Realty. Golden Spike Realty may be involved in real estate transactions that use mortgage loans under the Corporation's programs, and may serve as a marketing agent for various properties owned by the Corporation.
Darryle Rude (<i>ex-officio</i>)	Presently serving as the Commissioner of Financial Institutions for the State of Utah and has no interests in any transactions with the Corporation.
Kirt Slaugh (<i>designee of ex-officio</i>)	Presently serving as the Chief Deputy Treasurer for the State of Utah and has no interests in any transactions with the Corporation.
Steve Waldrip (<i>designee of ex-officio</i>)	Presently serving as the Senior Advisor on Housing Strategy and Innovation for Utah Governor Spencer Cox, and has no interests in any transactions with the Corporation.

The Chair called for the next agenda item.

4. Resolution 2024-24, Authorizing the Reservation of Federal and State Low-Income Housing Tax Credits

THE RESERVATION OF FEDERAL AND STATE LOW-INCOME HOUSING TAX CREDITS AS AUTHORIZED BY TITLE 59, CHAPTER 10, PART 1010, AND TITLE 59, CHAPTER 7, PART 607, UTAH CODE ANNOTATED 1953, AS AMENDED TO ISSUE ALLOCATION CERTIFICATES PRESCRIBED BY THE STATE TAX COMMISSION SPECIFYING THE PERCENTAGE OF THE ANNUAL FEDERAL TAX CREDIT THAT A TAXPAYER MAY TAKE AS AN ANNUAL CREDIT AGAINST UTAH INCOME TAX (THE "STATE TAX CREDIT") IN ACCORDANCE WITH CRITERIA AND PROCEDURES BASED ON THE UTAH CODE AND INCORPORATED IN THE ALLOCATION PLAN.

Ms. O'Grady stated that this will fully exhaust the 2025 9% tax credits. Mr. Hanks stated that the remaining credits from 2024 were also used.

Ms. Sheffield asked if there were any comments or discussion from the Board, and following brief discussion asked for a motion to adopt the Resolution.

Motion: AUTHORIZING THE RESERVATION OF FEDERAL AND STATE LOW-INCOME HOUSING TAX CREDITS.

Made by: Darryle Rude
Seconded by: Jonathan Hardy

Ms. Sheffield called for a vote on the motion:

Voted in Favor of the Motion:	Voted Against the Motion:	Abstained From Voting:
Darryle Rude Kirt Slaugh Steve Waldrip Jessica Norie Rob Allphin Lori Fleming Jonathan Hardy Annette Lowder Patricia Sheffield		

The Chair called for the next agenda item.

5. Resolution 2024-25, Adopting a Revised Master Swap Policy

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) ADOPTING A REVISED MASTER SWAP POLICY THAT ESTABLISHES PROCEDURES APPLICABLE TO UHC WHEN ENTERING INTO INTEREST RATE CONTRACTS.

Mr. Damschen stated that this is about managing and diversifying our debt portfolio. Most importantly, it’s about lowering our cost of capital and to enable UHC to offer lower interest rates to home buyers. Mr. Nestlehut stated that Caine Mitter is UHC’s Financial Advisor, and mentioned that Ansel Caine, President of Caine Mitter, is in attendance and is available to answer any questions.

Ms. Sheffield asked if there were any comments or discussion from the Board, and following brief discussion asked for a motion to adopt the Resolution, as amended.

Motion: APPROVE RESOLUTION 2024-25, ADOPTING A REVISED MASTER SWAP POLICY.

Made by: Kirt Slaugh
Seconded by: Lori Fleming

Ms. Sheffield called for a vote on the motion:

Voted in Favor of the Motion:	Voted Against the Motion:	Abstained From Voting:
Darryle Rude Kirt Slaugh Steve Waldrip Jessica Norie Rob Allphin Lori Fleming Jonathan Hardy Annette Lowder Patricia Sheffield		

The Chair called for the next agenda item.

6. **Reports and Non-Action Items**

- **Operating Reports:** Summary memos from Mr. Butterfield and Mr. Hanks were included in the Board Packet in relation to the operating reports.
- **NCSHA Annual Conference:** In Phoenix September 28-October 1
- **Upcoming Events:**
 - The next scheduled meeting is Thursday, October 3, 2024, at 1:30pm.

The Chair announced that the meeting was adjourned with a motion from Lori Fleming.

PENDING

Utah Housing Corporation
Board of Trustees Disclosures of Interest
As Of: October 3, 2024

Name of Trustee	Nature of Interest or Potential Interest
Patricia Sheffield (<i>chair</i>)	Presently retired from any employment and has no interests in any transactions with the Corporation.
Annette Lowder (<i>vice chair</i>)	Presently serving as a Board Advisor of Intercap Lending, Inc., a mortgage lender doing business in the state of Utah. Intercap Lending may originate mortgage loans for sale to the Corporation under its programs.
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Jonathan Hardy	Presently serves as a consultant on affordable housing projects for BCG Holdings and its related real estate entities. This may include the application and management of projects that may seek and obtain low-income housing tax credits and tax exempt bond financing from the Corporation. Current projects allocated include Victory Heights and Silos Affordable.
Jessica Norie	Presently serving as President of Artspace, a nonprofit which creates affordable live and work space to revitalize and promote stable, vibrant and safe communities. Artspace may be involved in the use of low-income housing tax credits and tax exempt bond financing for affordable housing, and may manage housing or develop housing under the Corporation's programs.
Rob Allphin	Presently serving as an Executive Vice President of Momentum Loans, a mortgage lender doing business in the state of Utah. Momentum Loans may originate mortgage loans for sale to the Corporation under the Corporation's program.
Lori Fleming	Presently serving as an Associate Broker with Golden Spike Realty. Golden Spike Realty may be involved in real estate transactions that use mortgage loans under the Corporation's programs and may serve as a marketing agent for various properties owned by the Corporation.



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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Utah Housing Corporation
West Valley City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Utah Housing Corporation as of June 30, 2024, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinion.

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 opinion. 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 and the schedules of the proportionate share of the net pension liability and contributions listed in the foregoing table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

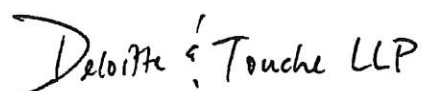
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024 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 black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 17, 2024



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Audit Committee of
Utah Housing Corporation
West Valley City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

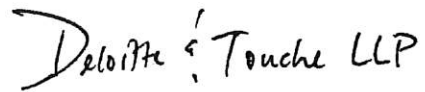
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, **during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.** However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 17, 2024



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INDEPENDENT ACCOUNTANT'S REPORT

To the Audit Committee
Utah Housing Corporation
West Valley City, Utah

We have examined management of Utah Housing Corporation's assertion, included in the accompanying Management's Assertion Related to Its Minimum Servicing Standards for Single Family Residential Mortgage Loans (the "Assertion"), that Utah Housing Corporation (the "Corporation") complied with its minimum servicing standards identified in the Mortgage Bankers Association of America's Uniform Single Attestation Program for Mortgage Bankers (USAP) (the "servicing standards"), for single family residential mortgage loans, listed in Appendix I of the Assertion, as of and for the year ended June 30, 2024. The Corporation's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the Corporation's compliance with the servicing standards based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the servicing standards is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Corporation's compliance with the servicing standards.

In our opinion, management's assertion that Utah Housing Corporation complied with its servicing standards listed in Appendix I of the accompanying Management's Assertion Related to Its Minimum Servicing Standards for Single Family Residential Mortgage Loans, is fairly stated, in all material respects.

September 17, 2024

THIS REPORT MAY NOT BE INCLUDED, REFERENCED TO, OR INCORPORATED BY REFERENCE IN ANY PUBLIC FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.



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Management's Assertion Related to Its Minimum Servicing Standards for Single Family Residential Mortgage Loans

As of and for the year ended June 30, 2024 Utah Housing Corporation (the "Corporation") has complied with its minimum servicing standards (the "servicing standards"), for single-family residential mortgage loans listed in Appendix I of the Assertion. The servicing standards are based on the Mortgage Bankers Association of America's Uniform Single Attestation Program for Mortgage Bankers.

As of and for this same period, the Corporation had in effect a fidelity bond and an errors and omissions policy in the amount of \$6,000,000 and \$6,000,000, respectively, for mortgage loans serviced.

David Damschen

David Damschen
President and Chief Executive Officer

Date: September 17, 2024

Andrew Nestlehut

Andrew Nestlehut
Chief Financial Officer/Senior Vice President

Date: September 17, 2024

Amy White

Amy White
Vice President of Loan Servicing

Date: September 17, 2024

APPENDIX I

MINIMUM SERVICING STANDARDS AS SET FORTH IN THE MORTGAGE BANKERS ASSOCIATION OF AMERICA'S UNIFORM SINGLE ATTESTATION PROGRAM FOR MORTGAGE BANKERS

I. CUSTODIAL BANK ACCOUNTS

1. Reconciliations shall be prepared on a monthly basis for all custodial bank accounts and related bank clearing accounts. These reconciliations shall:
 - Be mathematically accurate.
 - Be prepared within forty-five (45) calendar days after the cutoff date.
 - Be reviewed and approved by someone other than the person who prepared the reconciliation.
 - Document explanations for reconciling items. These reconciling items shall be resolved within ninety (90) calendar days of their original identification.
2. Funds of the servicing entity shall be advanced in cases where there is an overdraft in an investor's or a mortgagor's account.
3. Each custodial account shall be maintained at a federally insured depository institution in trust for the applicable investor.
4. Escrow funds held in trust for a mortgagor shall be returned to the mortgagor within thirty (30) calendar days of payoff of the mortgage loan.

II. MORTGAGE PAYMENTS

1. Mortgage payments shall be deposited into the custodial bank accounts and related bank clearing accounts within two business days of receipt.
2. Mortgage payments made in accordance with the mortgagor's loan documents shall be posted to the applicable mortgagor records within two business days of receipt.
3. Mortgage payments shall be allocated to principal, interest, insurance, taxes, or other escrow items in accordance with the mortgagor's loan documents.
4. Mortgage payments identified as loan payoffs shall be allocated in accordance with the mortgagor's loan documents.

III. DISBURSEMENTS

1. Disbursements made via wire transfer on behalf of a mortgagor or investor shall be made only by authorized personnel.
2. Disbursements made on behalf of a mortgagor or investor shall be posted within two business days to the mortgagor's or investor's records maintained by the servicing entity.
3. Tax and insurance payments shall be made on or before the penalty or insurance policy expiration dates, as indicated on tax bills and insurance premium notices, respectively,

provided that such support has been received by the servicing entity at least thirty (30) calendar days prior to these dates.

4. Any late payment penalties paid in conjunction with the payment of any tax bill or insurance premium notice shall be paid from the servicing entity's funds and not charged to the mortgagor, unless the late payment was due to the mortgagor's error or omission.
5. Amounts remitted to investors per the servicer's investor reports shall agree with cancelled checks, or other form of payment, or custodial bank statements.
6. Unused checks shall be safeguarded so as to prevent unauthorized access.

IV. INVESTOR ACCOUNTING AND REPORTING

1. The servicing entity's investor reports shall agree with, or reconcile to, investors' records on a monthly basis as to the total unpaid principal balance and number of loans serviced by the servicing entity.

V. MORTGAGOR LOAN ACCOUNTING

1. The servicing entity's mortgage loan records shall agree with, or reconcile to, the records of mortgagors with respect to the unpaid principal balance on a monthly basis.
2. Adjustments on ARM loans shall be computed based on the related mortgage note and any ARM rider.
3. Escrow accounts shall be analyzed, in accordance with the mortgagor's loan documents, on at least an annual basis.
4. Interest on escrow accounts shall be paid, or credited, to mortgagors in accordance with the applicable state laws.

VI. DELINQUENCIES

1. Records documenting collection efforts shall be maintained during the period a loan is in default and shall be updated at least monthly. Such records shall describe the entity's activities in monitoring delinquent loans including, for example, phone calls, letters, and mortgage payment rescheduling plans in cases where the delinquency is deemed temporary (e.g., illness or unemployment).

VII. INSURANCE POLICIES

1. A fidelity bond and errors and omissions policy shall be in effect on the servicing entity throughout the reporting period in the amount of coverage represented to investors in management's assertion.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE
MAJOR HUD PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE *CONSOLIDATED AUDIT GUIDE FOR
AUDITS OF HUD PROGRAMS***

To the Audit Committee
Utah Housing Corporation
West Valley City, Utah

Report on Compliance for Major HUD Program

Opinion on Major HUD Program

We have audited Utah Housing Corporation's (the "Corporation") compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the "Guide") that could have a direct and material effect on the Corporation's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended June 30, 2024. The Corporation's major HUD program is Ginnie Mae Issuer of Mortgage-Backed Securities ("major HUD Program") and the related direct and material compliance requirements are as follows:

- Federal Financial Reports
- Eligibility to Issue Mortgage-Backed Securities
- Review of Custodial Documents
- Issuer's Administration of Pooled Mortgages
- Review of Monthly Accounting Reports and Quarterly Submissions
- Securities Marketing and Trading Practices
- Adjusted Net Worth
- Institutionwide Capital Requirements
- Liquid Asset Requirement

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major HUD program for the year ended June 30, 2024.

Basis for Opinion on Major HUD Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major HUD program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's major HUD program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the major HUD program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a HUD program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a HUD program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all

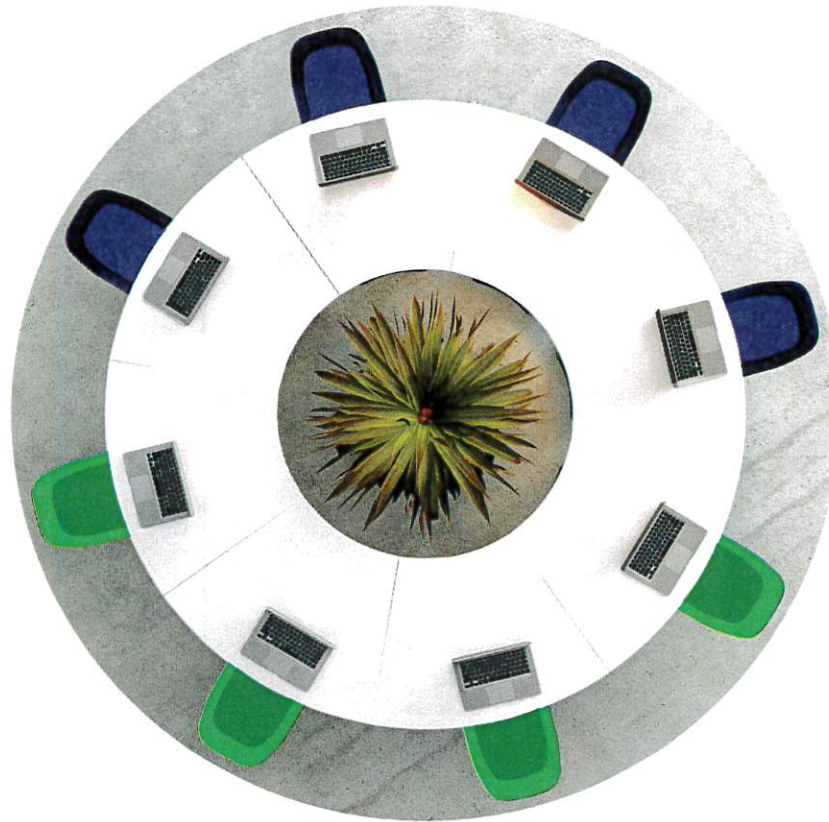
deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given those limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 17, 2024



Utah Housing Corporation
Results of the Fiscal 2024 Audit



September 17, 2024

Audit Committee of Utah Housing Corporation
2479 South Lake Park Blvd.
West Valley City, UT 84120

Dear Members of the Audit Committee:

We have performed an audit of the financial statements of Utah Housing Corporation (the "Corporation") as of and for the year ended June 30, 2024 (the "financial statements"), in accordance with:

- Auditing standards generally accepted in the United States of America ("generally accepted auditing standards");
- The standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("generally accepted government auditing standards") (generally accepted auditing standards and generally accepted government auditing standards are collectively referred to herein as the "Auditing Standards"); and
- The U.S. Department of Housing and Urban Development (HUD) Handbook 2000.4, *Consolidated Audit Guide for Audits of HUD Programs* (the "Guide"), issued by the HUD Office of the Inspector General.

We have issued our reports thereon dated September 17, 2024. We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Corporation is responsible.

This report is intended solely for the information and use of management, the audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

cc: The Management of Utah Housing Corporation

Deloitte & Touche LLP
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Our Responsibility under the Auditing Standards and the Guide



Our responsibility under the Auditing Standards and the Guide has been described in our engagement letters dated June 6, 2024, copies of which has been provided to you. As described in those letters, the objectives of an audit conducted in accordance with the Auditing Standards and the Guide are to:

- Express an opinion on whether the Corporation's financial statements for the year ended June 30, 2024, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- Express an opinion on whether the supplementary information that accompanies the financial statements, is fairly stated, in all material respects, in relation to the financial statements as a whole;
- Report on the Corporation's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2024, based on an audit of financial statements performed in accordance with generally accepted government auditing standards;

Our Responsibility under the Auditing Standards and the Guide (continued)



- Express an opinion on whether the Corporation complied, in all material respects, with the compliance requirements described in the Guide applicable to the Corporation's major HUD programs that could have a direct and material effect on the Corporation's major HUD programs for the year ended June 30, 2024;
- Report on the Corporation's internal control over compliance with the compliance requirements described in the Guide for the year ended June 30, 2024, based on an audit performed in accordance with the Guide; and
- Prepare a schedule of findings, questioned costs, and recommendations relating to the Corporation's major HUD programs, depending on the results of audit procedures performed.

The audit of the financial statements does not relieve management or the audit committee of their responsibilities. We considered internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting or the Corporation's controls over compliance.

Significant Accounting Policies and Practices



The Corporation's significant accounting policies are set forth in Note 2 to the Corporation's 2024 financial statements. We are not aware of any significant changes in previously adopted accounting policies or their application during the year ended June 30, 2024.

We have evaluated the significant qualitative aspects of the Corporation's accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Our assessment of the significant qualitative aspects of the Corporation’s particularly sensitive accounting estimates is below.

Overview	Qualitative Assessment
Allowance for Loan Losses (Loans Receivable)— Accounting Estimate	

The allowance for loan losses is a reserve against current operations based on management’s estimate of loan losses incurred. Management’s estimate considers such factors as the payment history of the loans, guarantees, mortgage insurance, historical loss experience, and overall economic conditions. Mortgage insurance plays a particularly important role as the majority of the loan portfolio consists of first mortgages that are insured by the Federal Housing Administration and Veterans Administration, which allows management to focus their analysis primarily on the portfolio of uninsured second mortgages, which provide down payment and closing cost assistance to low-income borrowers. Based on management’s review of the factors described, a total reserve amount is calculated, and a provision is made against current operations to reflect the estimated balance.

The basis for our conclusion as to the reasonableness of this estimate when considered in the context of the financial statements taken as a whole, as expressed in our auditor’s report on the financial statements, is our consideration of the methodology and assumptions used by management and our development of an independent expectation of the allowance considering current and potential future delinquencies and estimated loan-to-value ratios for at-risk loans receivable, in particular the second mortgage loan portfolio. Based on the procedures performed, the allowance for loan loss on mortgage loans appears reasonable in the context of the financial statements taken as a whole.

In 000’s	2024	2023
Allowance for Loan Losses	\$5,842	\$4,886

Other Required Communications



Uncorrected and Material Corrected Misstatements

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no uncorrected misstatements or disclosure items passed identified during our audit.

In addition, there were no material misstatements that were brought to the attention of management as a result of our audit procedures.



Management Representations

We have made specific inquiries of the Corporation's management about the representations embodied in the financial statements. In addition, we have requested that management provide to us the written representations the Corporation is required to provide to its independent auditors under the Auditing Standards and the Guide. We have attached to this letter, as Appendix A, a copy of the representation letters we obtained from management.

Other Required Communications



Significant Difficulties Encountered in Performing the Audit

In our judgment, we received the full cooperation of the Corporation’s management and staff and had unrestricted access to the Corporation’s senior management in the performance of our audit.



Disagreements with Management

We have not had any disagreements with management related to matters that are material to the Corporation’s 2024 financial statements.

Other Required Communications



Our Views about Significant Matters That Were the Subject of Consultation with Other Accountants

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during fiscal 2024.



Significant Findings or Issues Arising From the Audit Discussed, or Subject of Correspondence, with Management

Throughout the year, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the audit committee.

Form and Content of the Auditor's Report

We have included the following paragraphs in our audit report on the long-form and short-form financial statements, as well as our audit report on the financial statements to bondholders, concerning the required supplementary information and supplementary information:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of the proportionate share of the net pension liability and contributions listed in the foregoing table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 as a whole. The combining supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Form and Content of the Auditor's Report (continued)

We have included the following paragraphs in our audit report on the financial statements for Government National Mortgage Association concerning the required supplementary information and supplementary information:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of the proportionate share of the net pension liability and contributions listed in the foregoing table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 as a whole. The supplemental schedules of Government National Mortgage Association (Ginnie Mae) as listed in the foregoing table of contents, as required by the *Consolidated Audit Guide for Audits of HUD Programs*, issued by the HUD Office of the Inspector General, and presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.

APPENDICES

Appendix A: Representations from Management

See attached



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www.utahhousingcorp.org
P: 801.902.8200

September 17, 2024

Deloitte & Touche LLP
95 South State Street, Suite 900
Salt Lake City, UT 84111

We are providing this letter in connection with your audit of the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements (the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net position, and cash flows, as applicable, of the Corporation in accordance with accounting principles generally accepted in the United States of America (GAAP).

We confirm that we are responsible for the following:

- a. The preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in accordance with GAAP.
- b. 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.
 - To prevent and detect fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in accordance with GAAP. In addition:

- a. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
 - b. The financial statements include all fiduciary activities as required by GASB Codification Section 1300.111-.116, *Fiduciary Funds*.
 - c. Net position components (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
 - d. Deposits and investment securities are properly classified in the category of custodial credit risk.
 - e. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated. Related costs have been recognized as an expense in the period in which the costs are incurred, in accordance with GASB Codification Section 1400.120-.121, *Interest Cost Incurred before the End of a Construction Period*.
 - f. Required supplementary information is measured and presented within prescribed guidelines.
 - g. Applicable laws and regulations are followed in adopting, approving, and amending budgets.
 - h. The Corporation's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and the related net position is properly recognized under the policy.
 - i. The financial statements properly classify all funds and activities, including special and extraordinary items.
2. The Corporation has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
 3. The Corporation has made available to you:
 - a. All minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - b. All financial records and related data for all financial transactions of the Corporation and for all funds administered by the Corporation. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the Corporation and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.
 - c. Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.
 4. There has been no:
 - a. Action taken by Corporation management that contravenes the provisions of federal laws and Utah laws and regulations, or of contracts and grants applicable to the Corporation.

- b. Communications with other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.
- 5. The Corporation has disclosed to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 6. We have no knowledge of any fraud or suspected fraud affecting the Corporation involving:
 - a. Management.
 - b. Employees who have significant roles in the Corporation's internal control.
 - c. Others, where the fraud could have a material effect on the financial statements.
- 7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements communicated by employees, former employees, analysts, regulators, or others.
- 8. There are no unasserted claims or assessments that we are aware of or that legal counsel has advised us are probable of assertion and must be disclosed in accordance with the Governmental Accounting Standards Board ("GASB") Codification Section C50, *Claims and Judgments*.
- 9. The methods, significant assumptions, and the data used by us in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, or disclosure that is in accordance with GAAP.
- 10. We are responsible for compliance and have complied with local, state, and federal laws, rules, and regulations, including compliance with the provisions of grants and contracts relating to the Corporation's operations. We are responsible for understanding and complying with the requirements of the federal statutes and regulations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. We are responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.
- 11. We have informed you of all investigations or legal proceedings that have been initiated during the year ended June 30, 2024 or are in process as of June 30, 2024.
- 12. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
- 13. No organizations were identified that meet the criteria established in GASB Codification Section 2100, *Defining the Financial Reporting Corporation*.
- 14. The Corporation has appropriately identified and recorded all intangible assets under GASB Codification Section 1400.138 – 1400.153, *Intangible Assets*.
- 15. Tax-exempt bonds issued have retained their tax-exempt status.

16. We have disclosed to you all significant cyber security incidents and/or breaches in which an actual or potentially adverse effect on an information system, network, or the information residing therein occurred or there was a loss of assets. We considered the cyber incident or breach to be significant if such incident or breach merited the attention of those charged with governance.
17. The Corporation has provided to you a corporate entity tree that identifies the legal names of the Corporation's affiliates, including affiliates as defined in AICPA Interpretation 1.224.020, *State and Local Government Client Affiliates*, together with the ownership relationship among such entities.

Except where otherwise stated below, immaterial matters less than \$2,800,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the basic financial statements.

18. There are no transactions that have not been properly recorded and reflected in the financial statements.
19. The Corporation has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
20. Regarding related parties:
 - a. We have disclosed to you the identity of the Corporation's related parties and all the related-party relationships and transactions of which we are aware.
 - b. To the extent applicable, related parties and all the related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
21. In preparing the financial statements in accordance with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
 - a. It is reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b. The effect of the change would be material to the financial statements.
22. There are no:
 - a. Instances of identified or suspected noncompliance with laws, regulations, or provisions of contracts or grant agreements whose effects should be considered when preparing the financial statements, or other instances that warrant the attention of those charged with governance.
 - b. Known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and that have not been disclosed to you and accounted for and disclosed in accordance with GAAP.

- c. Known actual or likely instances of abuse that have occurred that could be quantitatively or qualitatively material to the financial statements.
 - d. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Codification Section C50, *Claims and Judgments*.
- 23. The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- 24. The Corporation has complied with all aspects of contractual agreements that may affect the financial statements.
- 25. No department or agency of the Corporation has reported a material instance of noncompliance to us.
- 26. The Corporation has identified all derivative instruments as defined by GASB Codification Section D40, *Derivative Instruments*, and appropriately recorded and disclosed such derivatives in accordance with GASB Codification Section D40.
- 27. Other than those disclosed in the financial statements, no events have occurred after June 30, 2024, but before the date of this letter, the date the financial statements were issued, that require consideration as adjustments to, or disclosures in, the financial statements.
- 28. Regarding required supplementary information:
 - a. We confirm that we are responsible for the required supplementary information.
 - b. The required supplementary information is measured and presented in accordance with GAAP.
 - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
- 29. Regarding supplementary information:
 - a. We are responsible for the preparation and fair presentation of the supplementary information in accordance with GAAP.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP.
 - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
- 30. We have identified the significant assumptions and factors affecting all derivative instruments and any financial instruments that contain embedded derivatives. The assumptions are reflective of management's intent and ability to carry out specific courses of action and the significant assumptions used are consistent with the Corporation's plans and past experience.

31. Financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.
32. The Corporation has properly identified all derivative instruments and any financial instruments that contain embedded derivatives. The Corporation's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies, and all appropriate hedge documentation was in place at the inception of the hedge in accordance with GASB Codification Section D40, *Derivative Instruments*. Specifically, we have appropriately designated all hedging instruments as either fair value or cash flow hedges or hedges of the foreign currency exposure of a net investment in a foreign operation. The timing, nature, and amounts of all forecasted transactions are probable of occurring. The fair values of all derivatives, embedded derivatives that have been bifurcated, financial instruments that contain embedded derivatives for which the Corporation has elected to measure the financial instruments at fair value in their entirety (pursuant to the provisions of GASB Codification Section D40), and hedged items have been determined based on GAAP using prevailing market prices or by using financial models that are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at June 30, 2024.
33. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of equity, such as investments:
 - a. The completeness and adequacy of the disclosures related to fair values are in accordance with GAAP.
 - b. No events have occurred after June 30, 2024, but before the date of this letter, the date the financial statements were available to be issued that require adjustment to the fair value measurements and disclosures included in the financial statements.
34. The Corporation has determined whether a capital asset has been impaired in accordance with GASB Codification Section 1400.181 – 1400.201, *Impairment of Capital Assets*. In making this determination, the Corporation considered the following factors:
 - a. The magnitude of the decline in service utility is significant.
 - b. The decline in service utility is unexpected.
35. We have appropriately identified and properly recorded and disclosed in the financial statements all interfund transactions, including repayment terms.
36. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the financial statements.
37. For financial instruments with off-balance-sheet credit risk e.g., obligations for loans sold with recourse (with or without floating rate provision), fixed-rate and variable-rate loan commitments, financial guarantees, note issuance facilities at floating rates, letters of credit, except for those instruments within the scope GASB Codification Section D40, *Derivative Instruments*, the Corporation has disclosed the following:

- a. The face or contract amount.
 - b. The nature and terms, including a discussion of the following:
 - Credit, custodial credit risk, and interest rate risks, as applicable of those instruments.
 - Foreign currency and concentration of credit risk, as applicable.
 - Cash requirements of those instruments.
 - Other disclosures required by GASB Codification Section 150, *Investments*.
 - Related accounting policy pursuant to GASB Codification Section 2300, *Notes to Financial Statements*.
 - c. The Corporation's policy for requiring collateral or other security to support financial instruments subject to credit risk, information about the Corporation's access to that collateral or other security, and the nature and brief description of the collateral or other security supporting those financial instruments.
38. Provisions for uncollectible receivables have been properly identified and recorded.
 39. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties have been properly recorded and disclosed in the financial statements.
 40. The Corporation has properly classified the exchange of an interest in expected future cash flows receivables for immediate cash payments as either a collateralized borrowing or sale in accordance with GASB Codification Section S20, *Sales and Pledges of Receivables and Future Revenues and Intra-Corporation Transfers of Assets and Future Revenues*.
 41. We believe that all expenditures that have been deferred to future periods are recoverable.
 42. The Corporation has evaluated its leases and has properly classified, recognized, and reported all leases in accordance with the recognition, measurement, financial reporting, and disclosure requirements set forth in GASB Codification Section L20, *Leases*.
 43. We have properly recorded and disclosed subscription-based information technology arrangements, including the related right to use assets, subscription liabilities, and other related amounts, in accordance with GASB Codification Section S80, *Subscription-Based Information Technology Arrangements*.
 44. We have disclosed conduit debt obligations in the financial statements in accordance with the requirements of GASB Codification Section C65, *Conduit Debt Obligations*, and have reported as liabilities only those conduit debt obligations that meet the criteria for recognition.
 45. Agreements (whether written, oral, or implied) to repurchase securities, loans, real estate, or other assets previously sold have been properly disclosed in the financial statements.
 46. We have disclosed to you all new or changes to the existing pension and 401(k) plans.
 47. We do not plan to make frequent amendments to our pension plans.

48. We have no intention of terminating any of our pension or 401(k) plans or withdrawing from any multiemployer plans or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our pension or 401(k) plans to which we contribute.
49. Provision has been made for any loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments, if required.
50. Provision has been made for losses to be sustained in the fulfillment of, or from the inability to fulfill, any commitments to purchase or sell securities under forward-placement, financial futures contracts, and standby commitments.
51. Sales with recourse provisions have been properly recorded and disclosed in the financial statements
52. All documentation related to sales transactions is contained in customer files. We also confirm that:
 - a. We are not aware of any "side agreements" with any companies that are inconsistent with the applicable sales agreement, the customer's purchase order, sales invoice, or any other documentation contained in the customer's file. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of the Corporation (or any subsidiary, director, employee, or agent of the Corporation) with a customer from whom revenue has been recognized that is not contained in the written purchase order from the customer or sales order confirmation and sales invoice of the Corporation delivered to or generated by the Corporation's Accounting and Finance Department. The definition of a side agreement is not limited by any particular subject matter. For purposes of example only, any agreement not contained in the written purchase order from the customer or sales order and sales invoice of the Corporation that relates to return rights, acceptance rights, future pricing, payment terms, free consulting, free maintenance, or exchange rights would be a side agreement.
 - b. We are not aware of any commitments or concessions to a customer regarding pricing or payment terms outside of the terms documented in the customer's file.
53. There have been no penalties assessed by Housing and Urban Development (HUD) related to any audits that were performed during the year, nor do we believe that any assessments will be made by HUD as a result of audits performed by the Office of Inspector General.

David Damschen

David Damschen, Chief Executive Officer

Andrew Nestlehut

Andrew Nestlehut, Chief Financial Officer

cc: Audit Committee of Utah Housing Corporation



2479 S. Lake Park Blvd, West Valley City, UT 84120
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Management's Assertion Related to Its Minimum Servicing Standards for Single Family Residential Mortgage Loans

As of and for the year ended June 30, 2024 Utah Housing Corporation (the "Corporation") has complied with its minimum servicing standards (the "servicing standards"), for single-family residential mortgage loans listed in Appendix I of the Assertion. The servicing standards are based on the Mortgage Bankers Association of America's Uniform Single Attestation Program for Mortgage Bankers.

As of and for this same period, the Corporation had in effect a fidelity bond and an errors and omissions policy in the amount of \$6,000,000 and \$6,000,000, respectively, for mortgage loans serviced.

David Damschen

David Damschen
President and Chief Executive Officer

Date: September 17, 2024

Andrew Nestlehut

Andrew Nestlehut
Chief Financial Officer/Senior Vice President

Date: September 17, 2024

Amy White

Amy White
Vice President of Loan Servicing

Date: September 17, 2024

APPENDIX I

MINIMUM SERVICING STANDARDS AS SET FORTH IN THE MORTGAGE BANKERS ASSOCIATION OF AMERICA'S UNIFORM SINGLE ATTESTATION PROGRAM FOR MORTGAGE BANKERS

I. CUSTODIAL BANK ACCOUNTS

1. Reconciliations shall be prepared on a monthly basis for all custodial bank accounts and related bank clearing accounts. These reconciliations shall:
 - Be mathematically accurate.
 - Be prepared within forty-five (45) calendar days after the cutoff date.
 - Be reviewed and approved by someone other than the person who prepared the reconciliation.
 - Document explanations for reconciling items. These reconciling items shall be resolved within ninety (90) calendar days of their original identification.
2. Funds of the servicing entity shall be advanced in cases where there is an overdraft in an investor's or a mortgagor's account.
3. Each custodial account shall be maintained at a federally insured depository institution in trust for the applicable investor.
4. Escrow funds held in trust for a mortgagor shall be returned to the mortgagor within thirty (30) calendar days of payoff of the mortgage loan.

II. MORTGAGE PAYMENTS

1. Mortgage payments shall be deposited into the custodial bank accounts and related bank clearing accounts within two business days of receipt.
2. Mortgage payments made in accordance with the mortgagor's loan documents shall be posted to the applicable mortgagor records within two business days of receipt.
3. Mortgage payments shall be allocated to principal, interest, insurance, taxes, or other escrow items in accordance with the mortgagor's loan documents.
4. Mortgage payments identified as loan payoffs shall be allocated in accordance with the mortgagor's loan documents.

III. DISBURSEMENTS

1. Disbursements made via wire transfer on behalf of a mortgagor or investor shall be made only by authorized personnel.
2. Disbursements made on behalf of a mortgagor or investor shall be posted within two business days to the mortgagor's or investor's records maintained by the servicing entity.
3. Tax and insurance payments shall be made on or before the penalty or insurance policy expiration dates, as indicated on tax bills and insurance premium notices, respectively,

provided that such support has been received by the servicing entity at least thirty (30) calendar days prior to these dates.

4. Any late payment penalties paid in conjunction with the payment of any tax bill or insurance premium notice shall be paid from the servicing entity's funds and not charged to the mortgagor, unless the late payment was due to the mortgagor's error or omission.
5. Amounts remitted to investors per the servicer's investor reports shall agree with cancelled checks, or other form of payment, or custodial bank statements.
6. Unused checks shall be safeguarded so as to prevent unauthorized access.

IV. INVESTOR ACCOUNTING AND REPORTING

1. The servicing entity's investor reports shall agree with, or reconcile to, investors' records on a monthly basis as to the total unpaid principal balance and number of loans serviced by the servicing entity.

V. MORTGAGOR LOAN ACCOUNTING

1. The servicing entity's mortgage loan records shall agree with, or reconcile to, the records of mortgagors with respect to the unpaid principal balance on a monthly basis.
2. Adjustments on ARM loans shall be computed based on the related mortgage note and any ARM rider.
3. Escrow accounts shall be analyzed, in accordance with the mortgagor's loan documents, on at least an annual basis.
4. Interest on escrow accounts shall be paid, or credited, to mortgagors in accordance with the applicable state laws.

VI. DELINQUENCIES

1. Records documenting collection efforts shall be maintained during the period a loan is in default and shall be updated at least monthly. Such records shall describe the entity's activities in monitoring delinquent loans including, for example, phone calls, letters, and mortgage payment rescheduling plans in cases where the delinquency is deemed temporary (e.g., illness or unemployment).

VII. INSURANCE POLICIES

1. A fidelity bond and errors and omissions policy shall be in effect on the servicing entity throughout the reporting period in the amount of coverage represented to investors in management's assertion.



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September 17, 2024

Deloitte & Touche LLP
95 South State Street, Suite 900
Salt Lake City, UT 84111

We are providing this letter in connection with your examination of our assertion that Utah Housing Corporation (the "Corporation") complied with the minimum servicing standards identified in the Mortgage Bankers Association of America's Uniform Single Attestation Program for Mortgage Bankers (USAP) (the "servicing standards") for single-family residential mortgage loans, listed in Appendix I of our assertion, as of and for the year ended June 30, 2024, for the purpose of expressing an opinion as to whether our assertion is fairly stated, in all material respects.

We confirm that we are responsible for the following:

- a. Management's assertion that the Company is in compliance with the servicing standards as of and for the year ended June 30, 2024.
- b. Selection of the criteria to measure or evaluate management's assertion that the Company is in compliance with the minimum servicing standards identified in the Mortgage Bankers Association of America's USAP.
- c. Determining that the criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.
- d. Establishing and maintaining effective internal control over compliance with the servicing standards.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement as it relates to the assertion.

We confirm, to the best of our knowledge and belief, the following representations made to you during your examination engagement relating to compliance with the servicing standards:

1. All relevant matters are reflected in the measurement or evaluation of management's assertion.

2. We have performed an evaluation of the Corporation's compliance with the servicing standards as of and for the year ended June 30, 2024 and concluded that the Corporation is in compliance with the servicing standards.
3. We have provided to you all relevant information and access as agreed in the terms of the examination of compliance with servicing standards engagement letter.
4. We have made available to you all records and related data in connection with the examination of compliance with the servicing standards.
5. All known matters contradicting management's assertion and any communication from regulatory agencies, or others affecting management's assertion, have been disclosed to you, including communications received between June 30, 2024, and the date of your report.
6. We have disclosed to you all deficiencies in internal control relevant to the compliance with the servicing standards of which we are aware.
7. We have no knowledge of any actual, suspected, or alleged fraud that would affect the Corporation or the compliance with the servicing standards as of and for the year ended June 30, 2024.
8. We have no knowledge of any actual, suspected, or alleged noncompliance with laws or regulations, that would affect the Corporation or the compliance with the servicing standards as of and for the year ended June 30, 2024.
9. We have disclosed to you all known noncompliance with the servicing standards.
10. The Corporation has complied with all aspects of contractual agreements that may affect the Corporation or the compliance with the servicing standards as of and for the year ended June 30, 2024.
11. We have disclosed any known noncompliance with the servicing standards occurring subsequent to June 30, 2023.
12. Your report is intended solely for the information and use of the specified parties, and is not intended to be, and will not be, used by anyone other than the specified parties.
13. We have responded fully and truthfully to all inquiries made to us by you during your examination engagements.
14. There are no transactions that have not been properly recorded and reflected as it relates to the Company's compliance with the servicing standards.
15. We have disclosed to you all known events subsequent to June 30, 2024, that would have a material effect on our assertion.
16. As of and for the year ended June 30, 2024, the Corporation had in effect a fidelity bond and an errors and omissions policy in the amount of \$6,000,000 and \$6,000,000, respectively, per mortgage loan serviced.

David Damschen

David Damschen
President and Chief Executive Officer

Andrew Nestlehut

Andrew Nestlehut
Chief Financial Officer/Senior Vice President

Amy White

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Vice President of Loan Servicing

cc: Audit Committee of Utah Housing Corporation



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September 17, 2024

Deloitte & Touche LLP
95 South State Street, Suite 900
Salt Lake City, UT 84111

We are providing this letter in connection with your audit of the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows, and your audit of the compliance requirements of HUD-assisted programs of the Ginnie Mae II Mortgage-Backed Securities program and the related notes to the financial statements (the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net position, and cash flows of the Corporation in accordance with accounting principles generally accepted in the United States of America (GAAP) and whether the Corporation complied with specific requirements of its major HUD programs.

We confirm that we are responsible for the following:

- a. The preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows for the following HUD-assisted project, Ginnie Mae II Mortgage-Backed Securities program, in accordance with GAAP.
- b. The fair presentation of the additional information supplemental schedules accompanying the financial statements that are required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and that are presented for the purpose of additional analysis of the financial statements.
- c. 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.
 - To prevent and detect fraud.
- d. Establishing and maintaining effective internal control over financial reporting.
- e. The representations in the supplementary schedules that are prepared in accordance with the requirements of HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*. We have identified in those schedules all assistance provided by HUD, including assistance in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations.
- f. Identifying and disclosing to you all of our HUD-assisted programs and related activities subject to the governmental audit requirement.
- g. Compliance with, and have complied with, federal, state, and local laws, rules, and regulations and provisions of grants and terms and conditions relating to the Corporation and HUD-assisted programs.

- h. Understanding and complying with the requirements of the deferral statutes and regulations and the terms and conditions related to each of the Corporation's HUD-assisted programs.
- i. Establishing and maintaining, and have established and maintained, the components of internal control relating to our HUD-assisted programs and related activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations.
- j. Maintaining accounting and administrative control over revenues, expenses, assets, and liabilities.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

- 1. The financial statements referred to above are fairly presented in accordance with GAAP.
- 2. The Corporation has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
- 3. The Corporation has made available to you:
 - a. All financial records and related data for all funds administered. The records, books, and accounts, as provided to you, record the financial operations of all funds administered by management and provide the audit trail to be used in a review of accountability. Supplemental schedules presented in federal financial reports are supported by the books and records from which the financial statements have been prepared.
 - b. All minutes of the meetings of the board of directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
 - c. Regulatory examination reports, supervisory correspondence or agreements, enforcement actions, and similar materials from applicable regulatory agencies (particularly communications concerning supervisory actions or noncompliance with, or deficiencies in, rules and regulations).
 - d. All documents received from federal agencies that indicate possible or actual noncompliance by management with any federal laws, regulations, and rules, including any audits, attestation reports, studies, or reviews conducted by the HUD Office of Inspector General, HUD management, a contract administrator, or any other federal agency that directly relate to the audit of the financial statements. All amounts questioned and known instances of noncompliance with federal laws, regulations, and rules have been disclosed.
- 4. There have been no:

- a. Actions taken by management that contravene the provisions of federal, state of Utah, and local laws or regulations, or contracts and grants applicable to the Ginnie Mae II Mortgage-Backed Securities program.
 - b. Communications with regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
5. The Corporation has disclosed to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the Corporation involving:
 - a. Management.
 - b. Employees who have significant roles in the Corporation's internal control.
 - c. Others, where the fraud could have a material effect on the financial.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements communicated by employees, former employees, analysts, regulators, tenants, property managers, or others.
8. The methods, significant assumptions, and the data used by us in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, or disclosure that is in accordance with GAAP.
9. We have disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to June 30, 2024.
10. We have identified and disclosed to you:
 - a. All laws and regulations that have a direct and material effect on the determination of financial statement amounts.
 - b. The requirements governing fair housing and nondiscrimination.
 - c. The requirements governing the compliance areas from the Guide that are applicable to the following HUD-assisted program, Ginnie Mae II Mortgage-Backed Securities program.
11. Management has obligated, expended, received, and used funds of the Ginnie Mae II Mortgage-Backed Securities program in accordance with the purpose for which such funds have been appropriated or otherwise authorized by local, state, or federal law. Such obligation, expenditure, receipt, or use of funds was in accordance with any limitations, conditions, or mandatory directions imposed by local, state, or federal law.
12. Money or similar assets handled by management on behalf of the Corporation or HUD have been properly and legally administered, and the accounting and recordkeeping related thereto is proper, accurate, and in accordance with local, state, or federal law.
13. Management has complied with reporting requirements in connection with the Ginnie Mae II Mortgage-Backed Securities program.
14. We have:

- a. Identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of the Ginnie Mae II Mortgage-Backed Securities program that could have a material effect on a major or nonmajor HUD-assisted program.
 - b. Complied, in all material respects, with the direct and material compliance requirements identified above in connection with HUD-assisted programs.
 - c. Identified and disclosed interpretations of any compliance requirements that have varying interpretations.
 - d. Made available all major and nonmajor HUD-assisted programs and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports. Federal financial reports are supported by the books and records from which the financial statements have been prepared and are prepared on a basis consistent with that presented in the supplemental information and supplemental schedules. The copies of federal program financial reports provided are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
 - e. Identified and disclosed all amounts questioned and all known noncompliance with the direct and material compliance requirements of the major HUD-assisted programs, including the results of other audits, program reviews, or any communications from federal awarding agencies and pass-through entities concerning possible noncompliance related to the objectives of the audit.
 - f. Identified previous financial audits, attestation engagements, or other studies related to the objectives of the audit and the corrective actions taken to address significant findings and recommendations, including the status of follow-up on prior audit findings (and information about all management decisions) by federal awarding agencies and pass-through entities.
 - g. Provided to you our views on the reported findings, conclusions, and recommendations for your report.
15. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
16. We have not identified evidence of fraud or dishonesty in programs or operations of programs administered by management.
17. We are responsible for taking corrective action on audit findings of the compliance audit.
18. We have informed you of all investigations or legal proceedings initiated during the year ended June 30, 2024 or in process as of June 30, 2024.
19. Tax-exempt bonds issued have retained their tax-exempt status.
20. We have disclosed to you all significant cyber security incidents and/or breaches in which an actual or potentially adverse effect on an information system, network, or the information residing therein occurred or there was a loss of assets. We considered the cyber incident or breach to be significant if such incident or breach merited the attention of those charged with governance.

Except where otherwise stated below, immaterial matters less than \$2,800,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This

amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

21. There are no transactions that have not been properly recorded and reflected in the financial statements.
22. The Corporation has no plans or intentions that may affect the carrying value or classification of assets and liabilities.
23. Regarding related parties:
 - a. We have disclosed to you the identity of all the Corporation's related parties and all the related-party relationships and transactions of which we are aware.
 - b. To the extent applicable, related parties and all the related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral) have been appropriately identified, properly accounted for, and disclosed in the financial statements.
24. In preparing the financial statements in accordance with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:
 - a. It is reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b. The effect of the change would be material to the financial statements.
25. There are no:
 - a. Instances of identified or suspected noncompliance with laws, regulations, or provisions of contracts and grant agreements whose effects should be considered when preparing the financial statements, or other instances that warrant the attention of those charged with governance.
 - b. Known actual or possible litigation and claims whose effects should be considered when preparing the financial statements that have not been disclosed to you and accounted for and disclosed in accordance with GAAP.
 - c. Known actual or likely instances of abuse that have occurred that could be quantitatively or qualitatively material to the financial statements.
26. The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
27. The Corporation has complied with all aspects of contractual agreements that may affect the financial statements.
28. Regarding required supplementary information:
 - a. We confirm that we are responsible for the required supplementary information.
 - b. The required supplementary information is measured and presented in accordance with GAAP.

- c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
29. Regarding supplementary information:
- a. We are responsible for the preparation and fair presentation of the supplementary information in accordance with GAAP.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP.
 - c. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period.
30. Other than those disclosed in the financial statements, no events have occurred after June 30, 2024 but before the date of this letter, the date the financial statements were issued that require consideration as adjustments to, or disclosures in, the financial statements.
31. We have identified the significant assumptions and factors affecting securities. The assumptions are reflective of management's intent and ability to carry out specific courses of action and the significant assumptions used are consistent with the Corporation's plans and past experience.
32. Financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.
33. The Corporation has properly identified all derivative instruments and any financial instruments that contain embedded derivatives. The Corporation's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies, and all appropriate hedge documentation was in place at the inception of the hedge in accordance with GASB Codification Section D40, *Derivative Instruments*. Specifically, we have appropriately designated all hedging instruments as either fair value or cash flow hedges or hedges of the foreign currency exposure of a net investment in a foreign operation. The timing, nature, and amounts of all forecasted transactions are probable of occurring. The fair values of all derivatives, embedded derivatives that have been bifurcated, financial instruments that contain embedded derivatives for which the Corporation has elected to measure the financial instruments at fair value in their entirety (pursuant to the provisions of GASB Codification Section D40), and hedged items have been determined based on GAAP using prevailing market prices or by using financial models that are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at June 30, 2024.
34. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of equity, such as investments:
- a. The measurement methods, including the related assumptions, used in determining fair value were appropriate, consistent with market participant assumptions where available without undue cost and effort, and were consistently applied in accordance with GAAP.
 - b. The completeness and adequacy of the disclosures related to fair values are in accordance with GAAP.
 - c. No events have occurred after June 30, 2024, but before the date of this letter, the date the financial statements were available to be issued that require adjustment to the fair value measurements and disclosures included in the financial statements

35. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the financial statements.
36. For financial instruments with off-balance-sheet credit risk [e.g., obligations for loans sold with recourse (with or without floating rate provision), fixed-rate and variable-rate loan commitments, financial guarantees, note issuance facilities at floating rates, letters of credit], except for those instruments within the scope of GASB Codification Section D40, *Derivatives and Hedging*, the Corporation has disclosed the following:
 - a. The face or contract amount.
 - b. The nature and terms, including a discussion of the following:
 - Credit, custodial credit risk, and interest rate risks, as applicable of those instruments.
 - Foreign currency and concentration of credit risk, as applicable.
 - Cash requirements of those instruments.
 - Other disclosures required by GASB Codification Section I50, *Investments*.
 - Related accounting policy pursuant to GASB Codification Section 2300, *Notes to Financial Statements*.
 - c. The Corporation's policy for requiring collateral or other security to support financial instruments subject to credit risk, information about the Corporation's access to that collateral or other security, and the nature and brief description of the collateral or other security supporting those financial instruments.
37. The Corporation is responsible for determining and maintaining the adequacy of the allowance for credit losses as well as estimates used to determine such amounts. Management believes the allowance is adequate to absorb estimated expected credit losses in the financial instruments as of June 30, 2024.
38. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties have been properly recorded and disclosed in the financial statements.
39. The Corporation has properly classified the exchange of an interest in expected future cash flows receivables for immediate cash payments as either a collateralized borrowing or sale in accordance with GASB Codification Section S20, *Sales and Pledges of Receivables and Future Revenues and Intra-Corporation Transfers of Assets and Future Revenues*.
40. We believe that all expenditures that have been deferred to future periods are recoverable.
41. The Corporation has evaluated its leases and has properly classified, recognized, and reported all leases in accordance with the recognition, measurement, financial reporting, and disclosure requirements set forth in GASB Codification Section L20, *Leases*.
42. We have properly recorded and disclosed subscription-based information technology arrangements, including the related right to use assets, subscription liabilities, and other related amounts, in accordance with GASB Codification Section S80, *Subscription-Based Information Technology Arrangements*.

43. We have disclosed conduit debt obligations in the financial statements in accordance with the requirements of GASB Codification Section C65, *Conduit Debt Obligations*, and have reported as liabilities only those conduit debt obligations that meet the criteria for recognition.
44. Agreements (whether written, oral, or implied) to repurchase securities, loans, real estate, or other assets previously sold have been properly disclosed in the financial statements.
45. We have disclosed to you all new or changes to the existing pension or 401(k) plans.
46. We do not plan to make frequent amendments to our pension plans.
47. We have no intention of terminating any of our pension or 401(k) plans or withdrawing from any multiemployer plans or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our pension or 401(k) to which we contribute.
48. Provision has been made for any loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments, if required.
49. Provision has been made for losses to be sustained in the fulfillment of, or from the inability to fulfill, any commitments to purchase or sell securities under forward-placement, financial futures contracts, and standby commitments.
50. Sales with recourse provisions have been properly recorded and disclosed in the financial statements.
51. The final executed version of all relevant documentation related to real estate purchase, sales, and leasing transactions is contained in our files and has been made available to you. We confirm that we are not aware of any "side agreements" with respect to any real estate purchases, sales, or leases. For the purposes of this letter, a "side agreement" is any agreement, understanding, promise, or commitment, whether written (e.g., in the form of a letter or formal agreement or in the form of any exchange of physical or electronic communications) or oral, by or on behalf of the Corporation (or any subsidiary, director, employee, or agent of the Corporation) that is not contained in the written documentation supporting such transactions. Such side agreement might be any agreement not contained in the written transaction documentation that (1) relates to an obligation to repurchase assets sold, or that allows the buyer to compel the seller to, or gives an option to the seller to repurchase property sold; (2) guarantees a return of the buyer's investment or a return on such investment; (3) requires the seller to initiate or support operations or continue to operate the property at its own risk; or (4) relates to any funds that have been or will be loaned, refunded, or directly or indirectly provided to the buyer by the seller or loans guaranteed or collateralized by the seller for the buyer.

David Damschen

David Damschen, Chief Executive Officer

Andrew Nestlehut

Andrew Nestlehut, Chief Financial Officer

cc: Audit Committee of Utah Housing Corporation



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Utah Housing Corporation

Financial Statements as of and for the
Year Ended June 30, 2024,
Combining Supplemental Schedules as of and
for the Year Ended June 30, 2024,
and Independent Auditor's Reports

UTAH HOUSING CORPORATION

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1–3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4–9
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2024:	
Balance Sheet	10–11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13–14
Notes to Financial Statements	15–40
REQUIRED SUPPLEMENTAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2024:	
Schedule of the Proportionate Share of the Net Pension Liability	42
Schedule of Contributions	43
Note to Required Supplemental Information	44
SUPPLEMENTAL SCHEDULES AS OF AND FOR THE YEAR ENDED JUNE 30, 2024:	
Combining Balance Sheet	46
Combining Statement of Revenues, Expenses, and Changes in Net Position	47
Combining Statement of Cash Flows	48–49
Single-Family Mortgage Program Funds:	
Balance Sheet	50–51
Statement of Revenues, Expenses, and Changes in Net Position	52–53
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	54–55



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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Utah Housing Corporation
West Valley City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Utah Housing Corporation as of June 30, 2024, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinion.

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 opinion. 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 and the schedules of the proportionate share of the net pension liability and contributions listed in the foregoing table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

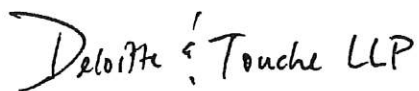
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024 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 black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 17, 2024

UTAH HOUSING CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

This section of the Utah Housing Corporation's (the "Corporation") annual financial report presents the Corporation management's discussion and analysis of the Corporation's financial performance during the fiscal year ended June 30, 2024. It is intended to be read in conjunction with the Corporation's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

The financial highlights of the Corporation as of and for the year ended June 30, 2024, compared with prior-year balances are as follows:

- Total cash and cash equivalents decreased \$64.7 million (-26.6%)
- Total investments increased \$735.5 million (63.1%)
- Total loans receivable increased \$186.1 million (31.6%)
- Bonds payable increased \$785.0 million (52.4%)
- Notes payable increased \$19.2 million (40%)
- Interest on loans receivable increased \$11.4 million (43.3%)
- Interest on cash and investments increased \$24.1 million (48.7%)
- Servicing revenues increased \$3.8 million (26.8%)
- Interest expense increased \$26.8 million (67.4%)
- Bond costs of issuance increased \$5.5 million (271.9%)
- Net fair value of investments increased \$42.5 million (81.4%)
- Total net position increased \$29.2 million (6.0%)

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts: Management's Discussion and Analysis; the Financial Statements, including Notes to the Financial Statements; Required Supplemental Information; and Combining Supplemental Schedules. The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America and follow the accrual basis of accounting as prescribed by the Governmental Accounting Standards Board (GASB). The Corporation is an independent public corporation, is self-supporting, and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Corporation. These statements are presented in a manner similar to a private business, such as mortgage banking, mortgage servicing, real estate development, commercial lending, construction management, and private consulting. Summary information is presented for separate mortgage revenue bond programs in the Supplemental Schedules. In addition to the summary information presented in this report, more information is maintained through detailed accounting to control and manage designated financial transactions.

UTAH HOUSING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE CORPORATION

The following table summarizes the changes in net position between June 30, 2024 and 2023 (in thousands):

	2024	2023	\$ Change	% Change
CURRENT ASSETS:				
Cash and cash equivalents	\$ 178,733	\$ 243,412	\$ (64,679)	(26.6)%
Investments (partially restricted)	246,331	54,078	192,253	355.5 %
Current maturities of loans receivable (partially restricted)	18,903	14,614	4,289	29.3 %
Interest receivable	11,339	7,553	3,786	50.1 %
Derivative asset		515	(515)	(100.0)%
Other current assets	<u>4,480</u>	<u>2,329</u>	<u>2,151</u>	<u>92.4 %</u>
Total current assets	<u>459,786</u>	<u>322,501</u>	<u>137,285</u>	<u>42.6 %</u>
NONCURRENT ASSETS:				
Investments (partially restricted)	1,655,780	1,112,488	543,292	48.8 %
Loans receivable (partially restricted)	756,882	575,098	181,784	31.6 %
Net investment in capital assets	6,766	7,446	(680)	(9.1)%
Mortgage servicing rights	34,702	30,348	4,354	14.3 %
Other assets	<u>6,978</u>	<u>2,480</u>	<u>4,498</u>	<u>181.4 %</u>
Total noncurrent assets	<u>2,461,108</u>	<u>1,727,860</u>	<u>733,248</u>	<u>42.4 %</u>
DEFERRED OUTFLOWS:				
Accumulated decrease in fair value of hedging derivatives	1,689	-	1,689	100.0 %
Pension	<u>3,051</u>	<u>2,788</u>	<u>263</u>	<u>9.4 %</u>
Total deferred outflows	<u>4,740</u>	<u>2,788</u>	<u>1,952</u>	<u>70.0 %</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,925,634</u>	<u>\$ 2,053,149</u>	<u>\$ 872,485</u>	<u>42.5 %</u>

(Continued)

UTAH HOUSING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	\$ Change	% Change
CURRENT LIABILITIES:				
Interest payable	\$ 22,027	\$ 8,260	\$ 13,767	166.7 %
Current maturities of bonds payable	305,979	267,690	38,289	14.3 %
Current maturities of notes payable	22,757	19,881	2,876	14.5 %
Current portion of subscription liability	724	786	(62)	(7.9)%
Other current liabilities	<u>30,508</u>	<u>5,743</u>	<u>24,765</u>	<u>431.2 %</u>
Total current liabilities	<u>381,995</u>	<u>302,360</u>	<u>79,635</u>	<u>26.3 %</u>
NONCURRENT LIABILITIES:				
Bonds payable	1,977,780	1,231,009	746,771	60.7 %
Notes payable	44,675	28,269	16,406	58.0 %
Unearned revenue	272	379	(107)	(28.2)%
Net pension liability	4,402	4,642	(240)	(5.2)%
Subscription liability	186	748	(562)	(75.1)%
Derivative instruments	<u>39</u>	<u>-</u>	<u>39</u>	<u>100.0 %</u>
Total noncurrent liabilities	<u>2,027,354</u>	<u>1,265,047</u>	<u>762,307</u>	<u>60.3 %</u>
Total liabilities	<u>2,409,349</u>	<u>1,567,407</u>	<u>841,942</u>	<u>53.7 %</u>
DEFERRED INFLOWS:				
Accumulated increase in fair value of hedging derivatives	-	515	(515)	100.0 %
Pension	<u>70</u>	<u>20</u>	<u>50</u>	<u>250.0 %</u>
Total deferred inflows	<u>70</u>	<u>535</u>	<u>(465)</u>	<u>(86.9)%</u>
NET POSITION:				
Net investment in capital assets	5,856	7,446	(1,590)	(21.4)%
Restricted—expendable	161,560	139,764	21,796	15.6 %
Unrestricted	<u>346,984</u>	<u>337,997</u>	<u>8,987</u>	<u>2.7 %</u>
Total net position	<u>514,400</u>	<u>485,207</u>	<u>29,193</u>	<u>6.0 %</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 2,923,819</u>	<u>\$2,053,149</u>	<u>\$ 870,670</u>	<u>42.4 %</u>

(Concluded)

UTAH HOUSING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

The following table summarizes the changes in operating income before fair value adjustments and changes in net position between the years ended June 30, 2024 and 2023 (in thousands):

	2024	2023	\$ Change	% Change
OPERATING REVENUES:				
Interest on loans receivable	\$ 37,787	\$ 26,371	\$ 11,416	43.3 %
Interest on cash and investments	73,551	49,473	24,078	48.7 %
Servicing revenues	17,939	14,148	3,791	26.8 %
Gain on sale of loans	17,885	15,224	2,661	17.5 %
Other revenues	<u>7,848</u>	<u>7,807</u>	<u>41</u>	<u>0.5 %</u>
Total operating revenues (not including fair value adjustments)	<u>155,010</u>	<u>113,023</u>	<u>41,987</u>	<u>37.1 %</u>
OPERATING EXPENSES:				
Interest	66,517	39,743	26,774	67.4 %
Salaries and benefits	15,069	15,365	(296)	(1.9)%
General operating expense	8,015	5,181	2,834	54.7 %
Loan servicing fees	2,028	1,633	395	24.2 %
Amortization of other assets	14,116	14,278	(162)	(1.1)%
Bond issuance expenses	7,461	2,006	5,455	271.9 %
Net provision for loan losses	1,664	785	879	112.0 %
Depreciation of capital assets	<u>1,237</u>	<u>1,260</u>	<u>(23)</u>	<u>(1.8)%</u>
Total operating expenses	<u>116,107</u>	<u>80,251</u>	<u>35,856</u>	<u>44.7 %</u>
OPERATING INCOME BEFORE FAIR VALUE ADJUSTMENTS	38,903	32,772	6,131	18.7 %
Net decrease in fair value of investments	<u>(9,710)</u>	<u>(52,194)</u>	<u>42,484</u>	<u>(81.4)%</u>
CHANGE IN NET POSITION	29,193	(19,422)	48,615	(250.3)%
NET POSITION—Beginning of year	<u>485,207</u>	<u>504,629</u>	<u>(19,422)</u>	<u>(3.8)%</u>
NET POSITION—End of year	<u>\$ 514,400</u>	<u>\$ 485,207</u>	<u>\$ 29,193</u>	<u>6.0 %</u>

OTHER FINANCIAL ANALYSIS

The Corporation uses multiple sources of capital resources to fund its affordable housing programs. These sources include both tax-exempt and taxable Mortgage Revenue Bonds (MRBs), a tax-exempt Mortgage-Backed Security (MBS) structure called Tax Exempt Mortgage Securities (TEMS), issuing MBS through Ginnie Mae and Freddie Mac programs, and cash window sales to Freddie Mac.

**UTAH HOUSING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The current-year operations reflect the Corporation's ability to optimize its alternative sources of capital for its affordable housing programs. The Corporation produced \$1,273.8 million of new single-family loans during the fiscal year as compared to \$732.5 million of loans in the prior year. These loans were funded by a variety of capital sources and represent a best execution approach to capital optimization. The Corporation sold \$1,051.1 million of loans as Ginnie Mae (GNMA) MBS including repurchased loans from our loss mitigation process. Additionally, \$79.0 million of loans as Federal Home Loan Mortgage Corporation (FHLMC) whole loans. This includes \$59.9 million of new TEMS pass-through bonds, and \$436.0 million taxable MRBs and \$365.4 million tax-exempt MRBs.

Operating income before fair value adjustments for the fiscal year ended June 30, 2024, was \$38.9 million which was \$6.1 million higher as compared to the previous year. This increase from the past fiscal year was primarily due to an increase in the interest rates which brought in increased interest income on loans receivable and cash and investments. The increase was partially offset by higher interest expense due to higher interest rates on the bonds and notes payable during the fiscal year.

The Corporation also continues to evaluate the allowance for loan loss reserves on an annual basis, as it relates to its uninsured second mortgage and repurchased loan portfolio. The allowance of 2.5% at June 30, 2023 remains sufficient for the second mortgages portfolio for June 30, 2024.

The Corporation experienced a change in financial position caused by a decrease in the valuation of its MBS portfolio. The Corporation's Fair Market Value (FMV) adjustment for the fiscal year decreased revenues by \$6.5 million. The Corporation's MBS investments are held within its single-family bond programs reflected on its Balance Sheet are valued at FMV. These investments are the matched with the outstanding TEMS and MRBs and will ultimately be collected at the full principal amount of the underlying mortgages. Thus, the current year FMV adjustment will later be reflected as gains on financial statements as payments are received at par.

The Corporation's quality loan portfolio of federally insured mortgage loans and large cash and investment balances represents its ongoing financial strength. The following two key ratios used by rating agencies to evaluate the industry, reaffirms that the Corporation remains financially strong.

Adjusted Debt to Equity Ratio (defined as total liabilities divided by the total net position) is 4.68. This ratio is interpreted as having \$4.68 of debt for every dollar of equity. The Corporation's ratio is higher than last year's ratio of 3.23 as the Corporation shifted its capital structure from TEMS and MBS one-time premiums to MRB structure bonding interest income spread over time.

Net Interest Spread Ratio (defined as total interest revenues, less interest expense divided by total interest revenues) is 40.3%. This ratio is down from 47.6% in the prior year. This reflects the higher cost of capital of the single-family debt in a rising interest rate environment.

The fiscal year general and administrative budget of \$17.8 million was adequate to fund operations.

DEBT ADMINISTRATION

At fiscal year end June 30, 2024, the Corporation had total debt outstanding of \$2,351 million, an increase of \$804 million or 52% during the fiscal year, as shown in the table below. More detailed information about the Corporation's debt is presented in Notes 11 and 13 to the financial statements.

**UTAH HOUSING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The following table summarizes the changes in debt between June 30, 2024 and 2023 (in thousands):

	2024	2023	% (Decrease) Increase
Notes payable	\$ 67,432	\$ 48,150	40.0 %
Taxable bonds payable	647,316	225,997	186.4 %
Subordinate General Obligation (GO) bonds payable	27,665	29,180	(5.2)%
All other tax-exempt bonds payable	<u>1,608,778</u>	<u>1,243,522</u>	29.4 %
Total debt	<u>\$ 2,351,191</u>	<u>\$ 1,546,849</u>	<u>52.0 %</u>

All bonds and debt issued by the Corporation, except general obligation bonds, are special obligations of the Corporation and are payable solely from the designated revenues and assets derived from the proceeds of the bonds and are not legal obligations of the State of Utah or any other political subdivision thereof.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Utah, our constituents, and investors with a general overview of the Corporation's finances and to demonstrate the Corporation's financial accountability over its resources. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Utah Housing Corporation, 2479 Lake Park Blvd., West Valley City, UT 84120, call +1 801 902 8200 or visit our website at: www.utahhousingcorp.org.

UTAH HOUSING CORPORATION

BALANCE SHEET AS OF JUNE 30, 2024 (In thousands)

ASSETS AND DEFERRED OUTFLOWS

CURRENT ASSETS:

Cash and cash equivalents	\$ 178,733
Investments (partially restricted, Note 3)	246,331
Current maturities of loans receivable (partially restricted, Note 6)	18,903
Interest receivable	11,339
Other current assets	<u>4,315</u>

Total current assets	459,621
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NONCURRENT ASSETS:

Investments (partially restricted, Note 3)	1,655,780
Loans receivable—net of allowance (partially restricted, Note 6)	756,882
Net investment in capital assets	6,766
Mortgage servicing rights	34,702
Other assets	<u>6,978</u>

Total noncurrent assets	<u>2,461,108</u>
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Total assets	<u>2,920,729</u>
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DEFERRED OUTFLOWS:

Accumulated decrease in fair value of hedging derivatives (Note 14)	39
Pension	<u>3,051</u>

Total deferred outflows	<u>3,090</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 2,923,819</u></u>
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(Continued)

UTAH HOUSING CORPORATION

BALANCE SHEET AS OF JUNE 30, 2024 (In thousands)

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

CURRENT LIABILITIES:

Interest payable	\$ 22,027
Current maturities of bonds payable	305,979
Current maturities of notes payable	22,757
Current portion of subscription liability	724
Other current liabilities	<u>30,508</u>
Total current liabilities	<u>381,995</u>

NONCURRENT LIABILITIES:

Bonds payable	1,977,780
Notes payable	44,675
Unearned revenue	272
Derivative instruments	39
Net pension liability	4,402
Subscription liability	<u>186</u>
Total noncurrent liabilities	<u>2,027,354</u>

Total liabilities	<u>2,409,349</u>
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DEFERRED INFLOWS:

Pension	<u>70</u>
Total deferred inflows	<u>70</u>

NET POSITION:

Net investment in capital assets	5,856
Restricted—expendable	161,560
Unrestricted	<u>346,984</u>
Total net position	<u>514,400</u>

TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

\$ 2,923,819

See notes to financial statements.

(Concluded)

UTAH HOUSING CORPORATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

OPERATING REVENUES:

Interest on loans receivable	\$ 37,787
Interest on cash and investments	73,551
Servicing revenues	17,939
Gain on sale of loans	17,885
Other revenues	7,848
Net decrease in the fair value of investments	<u>(9,710)</u>

Total operating revenues	<u>145,300</u>
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OPERATING EXPENSES:

Interest	66,517
Salaries and benefits	15,069
General operating expenses	8,015
Loan servicing fees	2,028
Amortization of mortgage servicing rights	14,116
Bond issuance expenses	7,461
Net provision for loan losses	1,664
Depreciation of capital assets	<u>1,237</u>

Total operating expenses	<u>116,107</u>
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CHANGE IN NET POSITION	29,193
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NET POSITION—Beginning of year	<u>485,207</u>
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NET POSITION—End of year	<u>\$ 514,400</u>
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See notes to financial statements.

UTAH HOUSING CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from interest on loans receivable	\$ 36,732
Cash received from payments on loans receivable	70,893
Cash received from loan servicing revenues	17,939
Cash received from other revenues	7,579
Cash received from sale of loan securities	1,148,451
Purchase of loans receivable	(1,369,165)
Purchase of mortgage servicing rights	(18,470)
Cash payments for servicing fees	(2,028)
Cash payments for general operating expenses	(10,446)
Cash payments to employees for salaries and benefits	(15,160)

Net cash used in operating activities	(133,675)
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CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Proceeds from bonds payable	890,293
Proceeds from revolving credit agreement	33,762
Proceeds from notes payable	27,177
Principal paid on bonds payable	(101,204)
Principal paid on revolving credit agreement	(33,762)
Principal paid on notes payable	(8,223)
Interest paid on bonds payable, notes payable, and revolving credit agreement	(56,770)
Cash payments for bond issuance costs	(7,461)

Net cash provided by non-capital financing activities	743,812
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of capital assets	(344)
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Net cash used in capital and related financing activities	(344)
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CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(1,815,729)
Proceeds from sales and maturities of investments	1,070,440
Interest and dividends on investments	70,817

Net cash used in investing activities	(674,472)
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(64,679)
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CASH AND CASH EQUIVALENTS—Beginning of year	243,412
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CASH AND CASH EQUIVALENTS—End of year	\$ 178,733
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UTAH HOUSING CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

RECONCILIATION OF OPERATING LOSS TO NET CASH

PROVIDED BY OPERATING ACTIVITIES—Operating gain	\$ 29,193
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Adjustments to reconcile operating loss to net cash
used in operating activities:

Depreciation	1,237
Interest on cash and investments	(73,548)
Net decrease in the fair value of investments	9,710
Interest expense	66,517
Bond issuance costs	7,461
Provision for loan losses	1,664
Increase in capital assets	(235)
Changes in operating assets and liabilities:	
Increase in receivables	(186,914)
Increase in other assets (current and non-current)	(6,484)
Increase in mortgage servicing rights	(4,354)
Increase in other liabilities	22,788
Decrease in net pension liability	(240)
Decrease in subscription liability	(624)
Decrease in deferred inflows/outflows for pensions	313
Decrease in unearned revenue	(159)

Total adjustments	(162,868)
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NET CASH USED IN OPERATING ACTIVITIES	\$ (133,675)
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See notes to financial statements.	(Concluded)
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UTAH HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

1. DESCRIPTION OF THE CORPORATION AND PROGRAMS

Utah Housing Corporation (the "Corporation"), previously known as Utah Housing Finance Agency, was created in 1975 by the Utah Legislature under the provisions of Part 9, Chapter 4, Title 9 of the Utah Code, Annotated 1953, as amended (the "Act"). The Act empowers the Corporation, among other things, to issue bonds and other obligations, and to purchase mortgage loans in furtherance of its purpose of providing safe and sanitary housing for persons of limited income residing in the State of Utah. The principal amount of bonds and other obligations outstanding is not limited by the Act.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Corporation, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain funds along with the accounting policies of such funds.

The Corporation has no taxing authority. Bonds and obligations issued by the Corporation do not constitute a debt of the State of Utah or any political subdivision thereof.

The Corporation has divided its operations into specific fund groups, as follows:

Operating Fund—This fund is primarily used to account for the operating expenses and general administration of the Corporation. Resources to operate the Corporation are provided from servicing net revenues, other revenues, and transfers from unrestricted single-family programs.

Single-Family Mortgage Program Funds—These funds are established to track and maintain the various single-family programs of the Corporation. This includes the funds established under the Single-Family Mortgage Revenue Bond (MRB) Resolutions adopted at various dates, warehoused loans, sale and issuance of mortgage-backed securities, repurchased loans from mortgage-backed securities, and the Corporation's second mortgage program. The bond programs account for proceeds from the sale of the Single-Family MRBs, the debt service requirements of the bond indebtedness, and the mortgage loans on eligible single-family housing being financed from bond proceeds, as well as loans and corresponding notes payable from the Community Reinvestment Act (CRA) participation program. First mortgage loans are insured by private mortgage insurance, Federal Housing Administration, or are guaranteed by the Veterans Administration or a Government Sponsored Enterprise (GSE) through a risk sharing agreement.

The Corporation exercises its authority, granted by the Internal Revenue Code, to issue tax-exempt MRBs to provide funds for the purchase of mortgage loans to be made to finance the acquisition of single-family residences in the State of Utah by households of low and moderate income. The Corporation has also issued various MRBs that are taxable.

Housing Development Funds—These funds are used to account for funds to assist in financing difficult-to-develop housing. Those activities include the acquisition, development, financing of new construction or rehabilitation of transitional housing, permanently affordable rental housing for very low-income households, and others with special housing needs. In addition, these funds are used to

make construction and long-term loans for affordable housing developments throughout Utah. These funds are also used to assist very low-income first-time homebuyers with down payment, closing costs, and other forms of financial assistance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accounting and reporting policies of the Corporation conform with accounting principles generally accepted in the United States of America and follow the accrual basis of accounting as prescribed by the Governmental Accounting Standards Board (GASB). The Corporation uses the economic resources measurement focus and the accrual basis of accounting.

Financial activities of the Corporation are recorded in funds established under various bond resolutions. The administrative and operational activities, including the operating expenses of various programs, are recorded in the general operating fund and are not allocated to the various funds, except for fiduciary and other miscellaneous expenditures.

Cash and Cash Equivalents—Cash and cash equivalents consist principally of cash deposits, sweep account investments in money market funds, and investment in the Utah State Public Treasurer's Investment Fund (PTIF).

Investments—Investments, except for guaranteed investment contracts (GICs) with insurance companies, are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. GICs are recorded at current contract value.

Loans Receivable—Loans receivable are carried at the unpaid principal balance outstanding, less the allowance for estimated loan losses.

Allowance for Loan Losses—The allowance for loan losses is a reserve against current operations based on management's estimate of expected future loan losses. Management's estimate considers such factors as the payment history of the loans, guarantees, mortgage insurance, historical loss experience, and overall economic conditions. Based on the review of the factors, a total reserve amount is calculated and a provision is made against current operations to reflect the estimated balance.

Interest Receivable—Interest on loans and investments is recognized as earned.

Capital Assets—Capital assets with an initial cost greater than \$5,000 are carried at cost. Office equipment, furniture and fixtures, and vehicles are depreciated using the straight-line method over their estimated useful lives of 3 to 7 years. The building is depreciated using the straight-line method over an estimated useful life of 40 years.

Bond Financing Costs—Costs of issuing bonds are expensed as they are incurred.

Bond Discounts and Premiums—Discounts and premiums on bonds payable are amortized to interest expense over the lives of the respective bond issues using the effective interest method.

Derivative Instruments—The Corporation enters into various interest rate swap contracts and forward sales contracts as part of its overall funding strategy. The objective of these financial instruments is to increase the volume of funding available to purchase qualified homes under the Corporation's low- to moderate-income programs. The Corporation has recorded the fair market value of its derivative investments on the financial statements and has evaluated and measured their effectiveness. Currently no variable-interest bonds are outstanding as well as no interest rate swap contracts.

Transfers—The Corporation may make transfers among the various funds to meet the cash flow requirements of the individual programs or to account for equity and working capital contributions. The Corporation may also contribute amounts from the operating funds to provide assistance to certain bond issues or transfer from unrestricted single-family programs to provide resources for the Corporation’s general and administrative expenses.

Mortgage Loan Servicing—Mortgage loan servicing fees paid to the general operating fund are based on a stipulated percentage of the outstanding loan principal balances being serviced. Costs associated with the acquisition of loan servicing rights through the purchase of servicing contracts or bulk loan purchases from external mortgage servicers are deferred and amortized over the estimated lives of loans being serviced.

Use of Estimates—The preparation of these financial statements required the use of estimates and assumptions by management in determining the entity’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses. Actual results could differ materially from these estimates and assumptions.

Restricted Assets—Assets whose use is restricted for a specific purpose are disclosed in the financial statements. When both restricted and unrestricted resources are available for use, it is the Corporation’s policy to use restricted resources first, then unrestricted as they are needed.

Pensions—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS’s fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources—In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the financial statements will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

3. CASH AND INVESTMENTS

Cash and investments at June 30, 2024, are summarized as follows (in thousands):

	Operating	Single-Family	Housing Development	Total
Cash and cash equivalents	\$ 23,015	\$ 122,071	\$ 33,647	\$ 178,733
Investments	-	1,902,044	67	1,902,111
Total	<u>\$ 23,015</u>	<u>\$ 2,024,115</u>	<u>\$ 33,714</u>	<u>\$ 2,080,844</u>

Cash deposits at June 30, 2024, are summarized as follows (in thousands):

Fund	Bank Balances	Book Balances
Operating	\$ 29,992	\$ 198
Single-Family	440	1,392
Housing Development	<u>63</u>	<u>63</u>
Total	<u>\$ 30,495</u>	<u>\$ 1,653</u>

The Corporation also invests in the Utah Public Treasurer's Investment Pool (PTIF), which is a voluntary external local governmental investment pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. As of June 30, 2024, the amount invested was \$149.3 million. No separate report has been issued for the PTIF. The PTIF is not registered with the Securities and Exchange Commission (SEC) as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act (Utah Code Title 51 and Chapter 7). The PTIF invests in high-grade securities that are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities; therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted-average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share of the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurer's Office.

Investments—As of June 30, 2024, the Corporation had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1–5	6–10	More Than 10
Money market mutual funds	\$ 232,285	\$ 232,285	\$ -	\$ -	\$ -
Negotiable certificates of deposit	67	67	-	-	-
Guaranteed investment contracts	7,048	-	-	7,048	-
U.S. agency mortgage-backed securities	<u>1,662,711</u>	<u>-</u>	<u>52</u>	<u>494</u>	<u>1,662,165</u>
Total	<u>\$1,902,111</u>	<u>\$ 232,352</u>	<u>\$ 52</u>	<u>\$ 7,542</u>	<u>\$1,662,165</u>

Restricted Investments—\$1,868,000 of single-family investments as of June 30, 2024, are restricted under bond indentures or other debt agreements, or are otherwise pledged as collateral for borrowings.

Interest Rate Risk—The Corporation's policy for investment maturities is determined by various bond indentures and bond resolutions adopted by the Corporation. Excess cash is invested in the PTIF.

Custodial Credit Risk—Custodial credit risk for investments is the risk that, in the event of failure of the counter party, the Corporation will not be able to recover the value of the investment in the possession of an outside party. The Corporation does not have a formal policy for custodial credit risk.

The Corporation's deposits at times exceed federally insured limits. At June 30, 2024, the Corporation had uninsured deposits of \$2,421,000. All other cash deposits were insured or collateralized as of June 30, 2024.

Credit Risk—Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Corporation, which also enable the underlying bonds to maintain their credit ratings. The investment activities are not subject to state statutes. As of June 30, 2024, the Corporation held investments in money market mutual funds rated AAA by Standard & Poor's or Fitch, and Aaa by Moody's Investors Service. The underlying investments of the Corporation's sweep accounts are invested in a money market mutual fund that is rated AAA by Standard & Poor's or Fitch, and Aaa by Moody's Investors Service. The Corporation's investments in Fannie Mae (FNMA) and Ginnie Mae (GNMA) securities are unrated and uninsured; however, the investment in FNMA securities are guaranteed to the MBS trust that the trust will have sufficient funds to ensure that investors will receive monthly payments of principal and interest, whether or not collected from the borrower, and GNMA MBS are guaranteed by the full faith and credit of the federal government. The Corporation's remaining investments are uninsured and unrated.

Concentration of Credit Risk—The Corporation places no limit on the amount the Corporation may invest in any one issuer. More than 5% of the Corporation's investments are in GNMA MBS and Federated Hermes money market investments; these investments represent 87% and 10%, respectively, of the Corporation's total investments as of June 30, 2024.

4. FAIR VALUE MEASUREMENTS

The Corporation categorizes their 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 investment or derivative instrument and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1—Unadjusted quoted prices for identical instruments in active markets

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3—Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Investments in short-term money market-type securities and certificates of deposit are reported at cost plus accrued interest, which approximates fair value.

Debt securities are comprised of investments in mortgage-backed securities (MBS) issued under U.S. Agencies (FNMA and GNMA). The MBS are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Index-linked securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The following table summarizes Level 1, 2 and 3 financial assets and liabilities measured at fair value at June 30, 2024 in thousands):

	Fair Value June 30, 2024	Level 1	Level 2	Level 3
Investment type:				
Money market mutual funds	\$ 232,285	\$ -	\$ 232,285	\$ -
Negotiable certificates of deposit	67	-	67	-
U.S. agency mortgage-backed securities	<u>1,662,711</u>	<u>-</u>	<u>1,662,711</u>	<u>-</u>
 Total	 <u>\$ 1,895,063</u>	 <u>\$ -</u>	 <u>\$ 1,895,063</u>	 <u>\$ -</u>
 Derivatives—Forward sale agreements	 <u>\$ 39</u>	 <u>\$ -</u>	 <u>\$ 39</u>	 <u>\$ -</u>

5. BOND RESERVE FUNDS

A significant portion of investments in the Single-Family Bond Program Funds are held by trustees and are restricted as to use as required by the various bond resolutions (see Note 3). Such restricted assets are included in funds and accounts within the program funds as established by the bond resolutions. Such funds typically include, among others, bond proceed funds, revenue funds, recovery of principal funds, debt service funds, redemption funds, and asset accumulation funds.

In addition to the funds referred to above, the resolutions provide for a debt service reserve fund and, in some cases, a mortgage reserve fund or interest reserve fund. The reserve requirements are defined in the bond documents based on maximum annual debt service requirements or some percentage of bonds outstanding for the debt service reserve fund and some percentage of mortgages outstanding for the mortgage reserve fund.

As of June 30, 2024, these reserve requirements and the resulting related balance of investments was as follows (in thousands):

	Minimum Requirement	Balance
Single-Family Mortgage Bond Funds	<u>\$ 17,191</u>	<u>\$ 46,240</u>

6. LOANS RECEIVABLE

As of June 30, 2024, loans receivable consisted of the following (in thousands):

	Current Maturities	Long-Term Portion	Total
Single-Family Mortgage Purchase Funds	\$ 18,567	\$ 739,868	\$ 758,435
Multi-Family Risk Share Loan	27	1,982	2,009
Housing Development Funds	309	20,875	21,184
Allowance for loan losses	<u>-</u>	<u>(5,843)</u>	<u>(5,843)</u>
Total	<u>18,903</u>	<u>756,882</u>	<u>775,785</u>

The weighted-average mortgage rates for the loans receivable were as follows as of June 30, 2024:

Loan Type	Rate
Single-Family Mortgage Purchase Funds	5.63 %
Multi-Family Risk Share Loan	5.95 %
Housing Development Funds	2.56 %

The Corporation issues bonds and note payables and applies the proceeds to fund the purchase of qualified loans originated from certified lenders. The receipt of payments from these loans is restricted principally for the purpose of paying the related principal and interest. Of the total loans receivable balance, \$380,545 of the single-family program loans are restricted under bond indentures or other debt agreements or are otherwise pledged as collateral for borrowings as of June 30, 2024.

The Corporation had \$1,660,000 in loans that have completed the foreclosure proceedings as of June 30, 2024 and are in the process of being conveyed to the Department of Housing and Urban Development. The amount is included in the Single-Family Mortgage Program Funds loans receivable.

7. LOANS SOLD WITH RISK OF REPURCHASE

During the year ended June 30, 2024, the Corporation sold no mortgage loans with full recourse to any financial institution. During the year ended June 30, 2024, the Corporation sold \$26,147,000 of mortgage loans with repurchase risk under the UBS Community Reinvestment Act (CRA) Agreement. As of June 30, 2024, the unpaid principal balance on loans sold with repurchase risk was \$66,112,000, of which \$66,054,000 is Federal Housing Administration (FHA) insured. The Corporation did not repurchase any loans in the FNMA program. The Corporation repurchased 19 loans totaling \$5,540,000 in the UBS CRA program and 1 loan totaling \$5,000 in the UBS Second Mortgage pools during the fiscal year.

During the year ended June 30, 2024, the Corporation sold no loans under the FNMA risk share program and \$78,968,000 under the FHLMC risk share program. Loans sold under this program bear repurchase risk during the first year upon occurrence of certain events. The Corporation repurchased no loans in the FNMA or FHLMC risk share program during the fiscal year.

8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets—not being depreciated—land	<u>\$1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,472</u>
Total capital assets—not being depreciated	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>1,472</u>
Capital assets—being depreciated:				
Buildings and improvements	5,814	131	-	5,945
Furniture and fixtures	689	44	-	733
Equipment	3,289	74	(9)	3,354
Vehicles	139	95	(79)	155
Subscriptions	<u>2,438</u>	<u>235</u>	<u>-</u>	<u>2,673</u>
Total capital assets being depreciated	<u>12,369</u>	<u>579</u>	<u>(88)</u>	<u>12,860</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,376)	(138)	-	(2,514)
Furniture and fixtures	(609)	(33)	-	(642)
Equipment	(2,531)	(215)	9	(2,737)
Vehicles	(56)	(15)	56	(15)
Subscriptions	<u>(823)</u>	<u>(839)</u>	<u>4</u>	<u>(1,658)</u>
Total accumulated depreciation	<u>(6,395)</u>	<u>(1,240)</u>	<u>69</u>	<u>(7,566)</u>
Total capital assets—being depreciated—net	<u>\$5,974</u>	<u>\$ (661)</u>	<u>\$ (19)</u>	<u>\$5,294</u>
Capital assets—net	<u>\$7,446</u>	<u>\$ (661)</u>	<u>\$ (19)</u>	<u>\$6,766</u>

9. MORTGAGE LOAN SERVICING

The Corporation's mortgage servicing department serviced a total of 32,455 loans with unpaid principal balances of \$4,886,479,000 as of June 30, 2024. Escrow cash balances for these loans were \$37,001,000 at June 30, 2024. These escrow balances are not included in the accompanying financial statements.

During the year ended June 30, 2024, the Corporation purchased and capitalized loan servicing rights of \$18,471,000 for \$1,273,770,000 of loans. Mortgage servicing rights are capitalized at the time a loan is purchased and amortized over a 7-year useful life. The Corporation also amortized \$14,116,000 of servicing rights during the year ended June 30, 2024. Mortgage servicing rights (net of accumulated amortization) totaled \$34,702,000 on June 30, 2024.

During the year ended June 30, 2024, the Corporation issued 115 GNMA loan pools with security proceeds of \$1,051,091,000. Additionally, the Corporation was servicing 829 GNMA loan pools with an outstanding security balance of \$3,939,495,000 as of June 30, 2024.

Additionally, during the year ended June 30, 2024, the Corporation issued no FNMA securities under the FNMA risk share program. As of June 30, 2024, the Corporation was servicing \$41,358,000 of FNMA securities.

During the year ended June 30, 2024, the Corporation issued \$78,968,000 of FHLMC securities under the FHLMC HFA Advantage program and did not issue any FHLMC securities under the FHLMC risk share program. As of June 30, 2024, the Corporation was servicing \$125,060,000 of FHLMC securities.

10. REVOLVING CREDIT NOTES

The Corporation has revolving credit agreements with financial institutions for the acquisition of mortgage loans. As of June 30, 2024, the total amount available under existing agreements was \$280,000,000. The first revolving credit agreement is scheduled to mature on December 29, 2024, and the limit under this agreement is \$100,000,000. Interest paid on amounts drawn is calculated at the Applicable Treasury rate for seven-year obligations as published by Bloomberg Financial Services plus 0.6%, with the seven-year Bloomberg rate not to be less than 0.25%. The second agreement provides a commitment up to \$150,000,000 and is scheduled to mature on May 24, 2025. Interest paid on amounts drawn is calculated at one month Secured Overnight Financing Rate (SOFR) plus 1.6%, with the one-month SOFR rate not to be less than 0.25%. The third agreement provides a commitment up to \$30,000,000 and is scheduled to mature on December 13, 2024. Interest paid on amounts drawn is calculated at the Secured Overnight Financing Rate (SOFR) plus 0.85%. To be able to draw on the \$100,000,000 credit agreement described above, the Corporation must comply with certain financial covenants. As of June 30, 2024, the Corporation was in compliance with all covenants.

Total interest expense incurred on these revolving credit agreements for the year ended June 30, 2024 was \$319,000.

Changes in Line of Credit Payable—Short-term debt activity for the year ended June 30, 2024 was as follows (in thousands):

	Balance	Additions	Payments	Balance
Line of credit payable	\$ <u>-</u>	\$ <u>33,762</u>	\$ <u>(33,762)</u>	\$ <u>-</u>

11. LONG-TERM DEBT

Single-Family Mortgage Purchase Bonds—Bonds payable in each series or issue generally consist of both serial and/or term bonds maturing at annual, semiannual, or monthly intervals. Outstanding principal on bonds payable (excluding unamortized premium) consisted of the following at June 30, 2024 (in thousands):

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed
2009 Series C	4.500%–5.000%	2031	\$ 150
2010 Series A	4.250%–4.950%	2032	95
2010 Series B	4.000%–4.625%	2034	2,240
2011 Series A	4.750%–5.750%	2033	305
2012 Series C	2.050%–2.850%	2039	300
2013 Series C	2.150%–2.150%	2043	412
2013 Series D	2.050%–2.050%	2043	221
2013 Series E	2.200%–2.200%	2041	2,685
2013 Series F	3.100%–3.100%	2043	712
2013 HOMES Series A	4.000%–4.000%	2043	248
2013 Series G	2.650%–2.650%	2043	40
2014 Series A	2.900%–2.900%	2044	984
2014 HOMES Series A	3.500%–3.500%	2044	610
2014 HOMES Series B	3.500%–3.500%	2044	274
2014 Series B	2.850%–2.850%	2044	1,057
2014 HOMES Series C	3.500%–3.500%	2044	625
2014 HOMES Series D	4.000%–4.000%	2044	127
2014 HOMES Series E	3.500%–3.500%	2044	993
2014 HOMES Series F	3.500%–3.500%	2044	2,178
2014 HOMES Series G	3.500%–3.500%	2044	877
2014 HOMES Series H	3.500%–3.500%	2044	1,630
2014 HOMES Series I	3.500%–3.500%	2044	1,035
2014 HOMES Series J	3.500%–3.500%	2044	803
2014 Series C	2.700%–2.700%	2044	1,749
2015 HOMES Series A	3.500%–3.500%	2045	1,295
2015 HOMES Series B	3.500%–3.500%	2045	737
2015 HOMES Series C	3.500%–3.500%	2045	944
2015 Series A	2.200%–2.200%	2041	2,020
2015 HOMES Series D	3.500%–3.500%	2045	1,651
2015 HOMES Series E	3.500%–3.500%	2045	2,714
2015 HOMES Series F	3.500%–3.500%	2045	2,779
2015 Series B	2.500%–2.500%	2045	3,727
2015 HOMES Series G	3.500%–3.500%	2045	3,345
2015 HOMES Series H	3.500%–3.500%	2045	1,206
2015 TEMS Series A	3.500%–3.500%	2045	746
2015 Series C	2.700%–2.700%	2045	1,781
2015 TEMS Series B	3.500%–3.500%	2045	1,491
2015 TEMS Series C	3.500%–3.500%	2045	2,742
2015 Series D	2.650%–4.000%	2045	27,635
2016 Series A	2.650%–2.650%	2046	3,208
2016 TEMS Series A	3.500%–3.500%	2046	1,261

(Continued)

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed
2016 TEMS Series B	3.500%–3.500%	2046	\$ 771
2016 TEMS Series C	3.000%–3.000%	2046	1,055
2016 TEMS Series D	3.000%–3.000%	2046	3,210
2016 TEMS Series E	3.500%–3.500%	2046	2,983
2016 TEMS Series F	3.000%–3.000%	2046	2,035
2016 TEMS Series G	3.500%–3.500%	2046	2,878
2016 TEMS Series H	3.000%–3.000%	2046	2,696
2016 TEMS Series I	3.500%–3.500%	2046	1,014
2016 TEMS Series J	3.000%–3.000%	2046	2,376
2016 TEMS Series K	3.000%–3.000%	2046	4,554
2016 TEMS Series L	3.000%–3.000%	2046	6,277
2016 TEMS Series M	3.000%–3.000%	2046	6,095
2016 Series B	2.170%–2.170%	2047	2,176
2016 TEMS Series N	3.000%–3.000%	2046	8,000
2017 TEMS Series A	3.000%–3.000%	2047	2,987
2017 TEMS Series B	3.500%–3.500%	2047	2,391
2017 TEMS Series C	3.500%–3.500%	2047	4,389
2017 TEMS Series D	3.500%–3.500%	2047	1,384
2017 Series A	2.800%–2.800%	2047	4,176
2017 TEMS Series E	3.500%–3.500%	2047	2,325
2017 TEMS Series F	3.500%–3.500%	2047	2,237
2017 TEMS Series G	3.500%–3.500%	2047	2,479
2017 TEMS Series H	3.500%–3.500%	2047	4,177
2017 TEMS Series I	3.500%–3.500%	2047	3,363
2017 TEMS Series J	3.500%–3.500%	2047	3,592
2017 TEMS Series K	3.500%–3.500%	2047	2,020
2017 TEMS Series L	3.500%–3.500%	2047	3,285
2017 TEMS Series M	3.500%–3.500%	2047	3,122
2017 Series B	2.690%–2.690%	2048	2,608
2018 TEMS Series A	3.500%–3.500%	2048	3,188
2018 TEMS Series B	3.500%–3.500%	2048	4,255
2018 TEMS Series C	4.000%–4.000%	2048	788
2018 TEMS Series D	4.000%–4.000%	2048	2,244
2018 Series A	3.450%–3.450%	2048	3,812
2018 TEMS Series E	4.000%–4.000%	2048	936
2018 TEMS Series F	4.000%–4.000%	2048	4,132
2018 TEMS Series G	4.500%–4.500%	2048	4,403
2018 TEMS Series H	4.500%–4.500%	2048	3,714
2018 TEMS Series I	4.500%–4.500%	2048	5,519
2018 Series B	3.820%–3.820%	2049	5,072
2018 TEMS Series J	4.500%–4.500%	2048	2,333
2019 TEMS Series A	4.500%–4.500%	2049	3,539
2019 TEMS Series B	4.500%–4.500%	2049	5,240
2019 TEMS Series C	4.500%–4.500%	2049	3,696
2019 TEMS Series D	4.500%–4.500%	2049	4,043
2019 TEMS Series E	4.500%–4.500%	2049	4,075
2019 TEMS Series F	4.500%–4.500%	2049	5,275
2019 TEMS Series G	4.500%–4.500%	2049	5,851
2019 TEMS Series H	4.500%–4.500%	2049	6,094
2019 TEMS Series I	4.000%–4.000%	2049	5,721

(Continued)

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed
2019 Series A	2.150%–3.875%	2050	\$ 41,175
2019 TEMS Series J	3.500%–3.500%	2049	9,664
2019 TEMS Series K	3.500%–3.500%	2049	11,408
2019 TEMS Series L	3.500%–3.500%	2049	3,915
2019 Series B	2.600%–2.600%	2050	9,834
2020 TEMS Series A	3.500%–3.500%	2050	10,281
2020 TEMS Series B	3.500%–3.500%	2050	9,379
2020 TEMS Series C	3.500%–3.500%	2050	9,177
2020 Series A	2.150%–2.150%	2050	4,960
2020 TEMS Series D	3.000%–3.000%	2050	8,516
2020 TEMS Series E	3.000%–3.000%	2050	12,525
2020 TEMS Series F	2.500%–2.500%	2050	36,043
2020 TEMS Series G	2.500%–2.500%	2050	27,546
2020 Series B	1.600%–1.600%	2051	8,083
2021 TEMS Series A	2.500%–2.500%	2051	17,317
2021 TEMS Series B	2.500%–2.500%	2051	20,730
2021 TEMS Series C	2.500%–2.500%	2051	9,915
2021 TEMS Series D	2.000%–2.000%	2051	13,692
2021 TEMS Series E	2.000%–2.000%	2051	31,421
2021 TEMS Series F	2.500%–2.500%	2051	30,620
2021 TEMS Series G	2.500%–2.500%	2051	41,475
2021 Series A	1.850%–1.850%	2051	9,519
2021 TEMS Series H	2.500%–2.500%	2051	44,755
2021 TEMS Series I	2.500%–2.500%	2051	43,340
2021 TEMS Series J	2.500%–2.500%	2051	46,966
2021 TEMS Series K	2.500%–2.500%	2051	49,475
2021 TEMS Series L	2.500%–2.500%	2051	39,995
2021 TEMS Series M	2.500%–2.500%	2051	44,591
2021 Series B	1.850%–1.850%	2052	29,360
2022 TEMS Series A	3.000%–3.000%	2052	29,812
2022 TEMS Series B	2.500%–2.500%	2052	16,355
2022 TEMS Series C	3.000%–3.000%	2052	27,078
2022 TEMS Series D	3.000%–3.000%	2052	20,193
2022 TEMS Series E	3.500%–3.500%	2052	17,257
2022 TEMS Series F	4.500%–4.500%	2052	13,230
2022 Series A	4.125%–4.125%	2052	23,670
2022 Series B	4.125%–4.125%	2052	16,970
2022 TEMS Series G	5.000%–5.000%	2052	28,221
2022 TEMS Series H	5.000%–5.000%	2052	24,730
2022 TEMS Series I	5.000%–5.000%	2052	24,094
2022 TEMS Series J	5.000%–5.000%	2052	19,816
2022 TEMS Series K	4.500%–4.500%	2052	11,738
2022 TEMS Series L	5.000%–5.000%	2052	9,319
2022 TEMS Series M	5.500%–5.500%	2052	12,248
2022 TEMS Series N	6.000%–6.000%	2052	13,305
2022 TEMS Series O	6.500%–6.500%	2052	10,686
2023 Series A	5.250%–5.250%	2053	31,000
2023 TEMS Series A	6.500%–6.500%	2053	13,520
2023 TEMS Series B	6.000%–6.000%	2053	10,160
2023 TEMS Series C	5.500%–5.500%	2053	15,650
2023 TEMS Series D	6.500%–6.500%	2053	12,981
2023 TEMS Series E	6.000%–6.000%	2053	14,658
2023 TEMS Series F	6.000%–6.000%	2053	12,935

(Continued)

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed
2023 TEMS Series G	6.500%-6.500%	2053	\$ 22,431
2023 TEMS Series H	6.500%-6.500%	2053	20,097
2023 TEMS Series I	6.500%-6.500%	2053	16,137
2023 Series A	3.400%-6.000%	2053	43,280
2023 Series B-1	5.350%-6.050%	2053	29,970
2023 Series B-2	5.350%-6.050%	2053	41,985
2023 Series B	5.700%-5.700%	2054	25,000
2024 Series A	3.450%-6.500%	2054	108,145
2024 Series B	5.210%-6.264%	2054	124,235
2024 Series C	3.100%-6.000%	2054	92,255
2024 Series D	4.921%-6.250%	2054	100,210
2024 Series 1	5.550%-5.550%	2054	30,000
2024 Series E	3.350%-6.000%	2054	91,780
2024 Series F	4.789%-6.250%	2054	<u>114,575</u>
Single-Family Mortgage Purchase Bonds Total			<u>\$ 2,219,620</u>

All of the above described bonds are subject to early redemption after various dates at prices ranging from par to 105% of par.

Interest on the single-family bonds is payable semiannually. Principal and interest for Home Ownership Mortgage-backed Exempt Securities (HOMES) and TEMS Series are paid monthly based on receipts from the underlying pass-through security.

Of the bonds described in the bonds payable listing, \$647,316,000 is not excluded from gross income for federal income tax purposes and is, therefore, taxable. Also, there are \$765,000 Class II bonds and \$27,665,000 of Class III bonds. The Class III bonds carry the Corporation's general obligation rating of Aa3 from Moody's and AA from Standard & Poor's and Fitch Ratings.

As of June 30, 2024, there was no variable rate debt outstanding.

Annual sinking fund payments are generally required for all bonds during years with no annual maturities. The assets of each bond or group of bonds (indenture) listed above are pledged for the payment of principal and interest on the bonds issued and to be issued by the respective programs.

Scheduled amounts of future debt service requirements for the single-family bond issues (both fixed and variable rate), including principal maturities and sinking fund requirements for the years subsequent to June 30, 2024, are as follows (in thousands):

Years Ending June 30	Principal Amount	Interest Amount	Total
2025	\$ 293,198	\$ 87,064	\$ 380,262
2026	316,476	85,024	401,500
2027	228,554	73,954	302,508
2028	211,043	66,111	277,154
2029	152,102	58,891	210,993
2030-2034	175,472	241,404	416,876
2035-2039	134,510	209,442	343,952
2040-2044	177,557	172,399	349,956
2045-2049	229,667	120,627	350,294
2050-2054	290,360	50,761	341,121
2055	10,681	323	11,004
Total	<u>\$ 2,219,620</u>	<u>\$ 1,166,000</u>	<u>\$ 3,385,620</u>

Changes in Long-Term Debt—Long-term debt activity (including current portions of long-term debt) for the year ended June 30, 2024 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Single-family mortgage purchase bonds	\$ 1,446,126	\$ 874,698	\$ (101,204)	\$ 2,219,620	\$ 293,198
Premium on bonds	<u>52,573</u>	<u>15,595</u>	<u>(4,029)</u>	<u>64,139</u>	<u>12,781</u>
Total bonds payable	1,498,699	890,293	(105,233)	2,283,759	305,979
Notes payable	<u>48,150</u>	<u>27,506</u>	<u>(8,224)</u>	<u>67,432</u>	<u>22,757</u>
Total long-term debt	<u>\$ 1,546,849</u>	<u>\$ 917,799</u>	<u>\$ (113,457)</u>	<u>\$ 2,351,191</u>	<u>\$ 328,736</u>

Total interest expense incurred on long-term debt for the year ended June 30, 2024 was \$66,517,000 none of which was capitalized.

Under the Internal Revenue Code, arbitrage earnings on certain bond issues may be subject to rebate. At June 30, 2024, there was no estimated arbitrage rebates payable. Any expense or changes in the accrual for the year ended June 30, 2024, was included with interest income on cash and investments on the statement of revenues, expenses, and changes in net position.

12. CONDUIT DEBT

The Corporation has issued Multi-Family Mortgage Purchase Bonds as conduit debt obligations for the purpose of providing capital financing for third party affordable housing projects that are not a part of the Corporation. The Corporation is not obligated in any manner for repayment of the conduit debt.

The Corporation has not included the activity of these bonds in the financial statements for the current year. Conduit debt outstanding consisted of the following issues at June 30, 2024 (in thousands):

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
2005 A Series, Boyer Hill Military Housing	5.392%–5.442%	2050	\$ 35,380	\$ -	\$ 35,380
2006 A-1 & B-1 Series, Liberty Commons	5.590%–6.500%	2041	13,452	-	13,452
2010 A Series, Liberty Peak	2.250%–4.250%	2028	12,020	-	12,020
2010 A Series, Providence Place	3.010%–3.010%	2052	8,100	-	8,100
2009 A Series, Fireclay II	2.400%–4.000%	2051	22,010	-	22,010
2011 A Series, Fireclay II	2.400%–4.000%	2051	375	-	375
2012 B Series, Beacon Hill	1.000%–3.400%	2030	15,270	-	15,270
2014 Series, Enclave	Variable weekly rate	2047	-	16,364	16,364
2015 Series Lofts 616	4.210%–4.210%	2036	24,566	-	24,566
2016 Series A&B Boulder	3.730%–9.500%	2046	27,682	-	27,682
2016 Series A&B Veranda West	3.740%–5.100%	2049	24,701	-	24,701
2016 Series Artesian Springs	3.990%–3.990%	2033	12,000	-	12,000
2016 Series A&B Pleasant View III	4.520%–5.360%	2049	13,547	-	13,547
2016 Series Granary Place	4.890%–4.890%	2050	9,917	-	9,917
2017 Series Boulder Pines	1.200%–9.500%	2047	2,750	-	2,750
2017 Series Arcadia	4.840%–4.840%	2050	19,395	-	19,395
2017 Series Moda Meadowbrook Apts	4.860%–4.860%	2050	12,499	-	12,499
2017 Series Garden Lofts	4.660 %–4.660%	2051	27,300	-	27,300
2018 Series Osmond/Normandie	Variable monthly rate	2039	-	8,015	8,015
2019 Series Exchange A	Variable monthly rate	2039	-	14,000	14,000
2019 Series A&B Triview III/Red Rocks At Sienna	5.00%–6.25%	2062	31,165	-	31,165
2019 Series Jordan Bluffs	Variable daily rate	2036	-	22,946	22,946
2019 Series Exchange B	Variable monthly rate	2038	-	11,195	11,195
2019 Series Arcadia II	Variable monthly rate	2037	-	23,500	23,500
2019 Series Moda Union	Variable daily rate	2039	-	23,356	23,356
2020 Series Jackson Series A	3.360%–3.360%	2037	10,963	-	10,963
2020 Series Moda Glenwood	Variable monthly rate	2053	-	23,696	23,696
2020 Series A&B Meadows At Homestead	Variable monthly rate	2053	-	21,868	21,868
2020 American Fork Affordable	Variable monthly rate	2037	-	30,000	30,000
2020 North Logan/The Meadows Apts	Variable monthly rate	2053	-	22,335	22,335
2020 255 South State Street Series A	5.000%–5.000%	2040	19,166	-	19,166
2021 1700 South Affordable	Variable monthly rate	2040	-	31,300	31,300
2021 River Rock Series A&B	5.100%–5.100%	2065	29,000	-	29,000
2021 River Rock Series C	6.00%–6.00%	2038	1,500	-	1,500
2021 Wall & 17th Affordable ABC	Variable monthly rate	2039	-	17,300	17,300
2021 Lotus Anthem	Variable monthly rate	2054	-	27,700	27,700
2021 Village At North Station	Variable monthly rate	2056	-	93,437	93,437
2021 New City Plaza	3.500%–3.500%	2025	34,836	-	34,836
2022 New City Plaza	3.500%–3.500%	2025	1,957	-	1,957
2021 Alta Vue	Variable Daily rate	2041	-	29,303	29,303
2021 Series A&B Richfield Apts	Variable Daily rate	2041	-	16,000	16,000
2021 Lotus Riverwalk Apts	Variable monthly rate	2055	-	16,700	16,700
2022 Midshore Manor	3.72%–3.72%	2039	11,241	-	11,241
2022 Jackson Station	4.450%–4.450%	2065	49,846	-	49,846
2022 Moda Shoreline	4.000%–4.000%	2025	31,855	-	31,855
2022 Spark	Variable monthly rate	2057	-	29,391	29,391
2023 Spark	Variable monthly rate	2057	-	52	52
2022 144 South Apt	Variable monthly rate	2042	-	14,696	14,696
2022 Lotus II Riverwalk Apts	Variable monthly rate	2055	-	26,000	26,000
2023 The Nest at Rio Grande Apt	Variable monthly rate	2044	-	4,604	4,604
2023 25th and Quincy Apts	Variable monthly rate	2057	-	9,290	9,290
2023 Syracuse Affordable Apts	Variable monthly rate	2057	-	28,215	28,215
2023 Skyline View	5.370%-5.370%	2039	19,239	-	19,239

(Continued)

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
2023 Howick Apts	Variable monthly rate	2044	\$ -	\$ 4,119	\$ 4,119
2023 Enginehouse Apts	Variable monthly rate	2056	-	4,723	4,723
2023 Magnolia At Homestead Apts	Variable monthly rate	2057	10,325	-	10,325
2024 Ogden Silvercrest Project	6.875%-6.875%	2027	50	-	50
2024 Lotus Citiwalk	Variable monthly rate	2058	-	2,851	2,851
2024 Price Apts	Variable monthly rate	2045	-	50	50
			<u>\$ 532,107</u>	<u>\$ 573,007</u>	<u>\$ 1,105,114</u>
(Concluded)					

13. NOTES PAYABLE

Single Family—The Corporation has entered into several different agreements with financial institutions to provide a source of capital for the purchase of single-family mortgage loans. Under the terms of these agreements, the Corporation is obligated to make a scheduled monthly principal and interest payment based on the Applicable Treasury rate for seven-year obligations as published by Bloomberg Financial Services, plus any principal curtailments received on the underlying loans receivable. The rates applicable to the outstanding balance as of June 30, 2024, ranged from 2.070% to 5.290%.

As of June 30, 2024, there are \$64,570,000 of single-family loans receivable pledged to provide the corresponding principal and interest payments related to these agreements. Payments made under these agreements will occur until the maturity of the underlying loans receivable mature or are paid in full.

There was \$157,270,000 of available capital under the existing agreements as of June 30, 2024.

Multifamily—The Corporation has entered into agreements with Federal Financing Bank (FFB) to provide a source of capital for the purchase of certificates of participation of multi-family mortgage loans. Under the terms of these agreements, the Corporation is obligated to make a scheduled monthly principal and interest payment based on the loan agreement entered for thirty years, plus any principal curtailments received on the underlying loans receivable. The rate applicable to the outstanding balances as of June 30, 2024, was 5.946%.

As of June 30, 2024, there are \$2,009,000 of multi-family loans receivable pledged to provide the corresponding principal and interest payments related to these agreements. Payments made under these agreements will occur until the maturity of the underlying loans receivable mature or are paid in full.

The future expected debt service payments as of June 30, 2024, are as follows (in thousands):

Years Ending June 30	Principal Amount	Interest Amount	Total
2025	\$ 22,757	\$ 2,811	\$ 25,568
2026	7,464	2,113	9,577
2027	7,776	1,788	9,564
2028	6,368	1,450	7,818
2029	6,680	1,138	7,818
2030-2034	14,523	1,589	16,112
2035-2039	331	461	792
2040-2044	426	367	793
2045-2049	551	239	790
2050-2054	<u>556</u>	<u>74</u>	<u>630</u>
Total	<u>\$ 67,432</u>	<u>\$ 12,030</u>	<u>\$ 79,462</u>

14. DERIVATIVE INSTRUMENTS

The Corporation has entered into derivative instruments to hedge against interest rate or cash flow risks, forward sales commitments on MBSs.

A summary of derivative instruments as of June 30, 2024 is as follows (in thousands):

	Notional Amount	Fair Market Value
Forwards	<u>\$ (51,000)</u>	<u>\$ (39)</u>

Forward Sales Contracts—Forward sales securities commitments and private sales commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At June 30, 2024, the Corporation had executed 35 forward transactions with a \$51,000,000 notional amount and a \$39,000 fair market value for GNMA, and FHLMC securities. The forward sales were settled on August 20, 2024.

Credit Risk—Several of the Corporation's forward agreements require it to post collateral in the event that the fair market value of the contract has decreased. The Corporation did not have any collateral posted with a counterparty as of June 30, 2024.

The following is a summary of the forward commitments entered into as of June 30, 2024 (in thousands):

Count	Par	Exposure	Original Premium	June 30, 2024 Premium	Fair Value
5	\$ (8,000)	16 %	\$ (13)	\$ (6)	\$ (7)
4	(7,000)	14	73	81	(8)
2	(4,000)	8	39	41	(2)
15	(21,000)	40	(43)	(25)	(18)
1	(1,000)	2	8	5	3
2	(3,000)	6	(3)	(6)	3
6	(7,000)	14	31	41	(10)
Total	<u>\$ (51,000)</u>	<u>100 %</u>	<u>\$ 92</u>	<u>\$ 131</u>	<u>\$ (39)</u>

15. SUBSCRIPTION BASED TECHNOLOGY ARRANGEMENTS (SBITAS)

The Corporation contracts with vendors under SBITAs with non-cancelable terms of one year or more. For these, the corporation recognizes a Subscription liability at the present value of payments expected to be made during the subscription term based off contract fixed costs or the contractual minimum of the variable costs as these are assumed to be "fixed in substance". The subscription payments were discounted using the estimated incremental borrowing rate for each contract. The Corporation also recognizes a subscription asset based on the initial measurement of the subscription liability and that asset is amortized over the subscription term. The subscription asset at June 30, 2024 was \$2,673,000 and the accumulated amortization was \$1,658,000 (see Note 8).

Variable payments that were not fixed in substance (i.e. subject to contractual minimums) were not included in the SBITA calculations. Total expenses related to these variable payments were \$354,000 during the year ended June 30, 2024.

Scheduled payments of future Subscription liability calculations, including principal and interest requirements are as follows (in thousands):

Years Ending June 30	Principal Amount	Interest Amount	Total
2025	\$ 724	\$ 22	\$ 746
2026	<u>186</u>	<u>3</u>	<u>189</u>
Total	<u>\$ 910</u>	<u>\$ 25</u>	<u>\$ 935</u>

Subscription liability activity for the year ended June 30, 2024 was as follows (in thousands):

Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<u>\$ 1,534</u>	<u>\$ 232</u>	<u>\$ (856)</u>	<u>\$ 910</u>	<u>\$ 724</u>

During the fiscal year, there were no commitments under SBITAs that started prior to the commencement of the subscription period which resulted in expense. The Corporation did not incur any termination penalties, other payments, or impairment losses for any of its SBITAs during the fiscal year.

16. RETIREMENT PLANS

Plan Description—Eligible plan participants are provided with pensions through the Utah Retirement Systems that are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (“Noncontributory System”) is a multiple employer, cost-sharing, retirement system.
- Public Employees Contributory Retirement System (“Contributory System”) is a multiple employer, cost-sharing, retirement system.
- Tier 2 Public Employees Contributory Retirement System (“Tier 2 Public Employees System”) is a multiple employer, cost-sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the URS are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotate 1953, as amended. The Systems’ defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, UT 84102 or visiting the website at <https://www.urs.org/general/publications>.

URS provides retirement, disability, and death benefits. Retirement benefits available to all full-time employees (working 30 hours or more) are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest three years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Contributory System	Highest five years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	1.25% per year to June 1975 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest five years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All postretirement cost-of-living adjustments (COLA) are non-compounding and are based on the original benefit, except for Judges, which is a compounding benefit. The COLA are also limited to the actual consumer price index (CPI) increase for the year, although unused CPI increases not met maybe carried forward to subsequent years.

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024, are as follows:

System	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate 401(k) plan
Contributory System:				
12—State and School Division Tier 1	N/A	6.00 %	17.70 %	N/A
112—State and School Division Tier 2***	N/A	N/A	19.84 %	0.18 %
Noncontributory System—				
16—State and School Division Tier 1	N/A	N/A	22.19 %	1.50 %
Tier 2 DC Only				
212—State and School	N/A	N/A	10.02 %	10.00 %

*** Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 Plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows (in thousands):

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 808	N/A
Contributory System	82	-
Tier 2 Public Employees System	804	-
Tier 2 DC Only System	172	-
Total Contributions	<u>\$ 1,866</u>	<u>-</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems. There were no employee contributions made during the year ended June 30, 2024.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Corporation reported a net pension asset of \$0 and a net pension liability of \$4,402,000.

System	(Measurement Date): December 31, 2023 (in thousands)				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 31-Dec-22	Change (Decrease)
Noncontributory System	-	\$ 3,499	0.1707576%	0.1773396%	-0.0065820%
Contributory System	-	627	6.7529977%	4.8756941%	1.8773036%
Tier 2 Public Employees System	-	276	0.1420949%	0.1615999%	-0.0195050%
Total net pension asset/liability	<u>-</u>	<u>\$ 4,402</u>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024 the Corporation recognized pension expense of \$1,390,000.

At June 30, 2024, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 770	\$ 5
Changes in assumptions	494	-
Net difference between projected and actual earning on pension plan investments	788	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	39	65
	<u>960</u>	<u>-</u>
Total	<u>\$ 3,051</u>	<u>\$ 70</u>

There was \$960,000 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2024	\$ (92)
2025	459
2026	1,855
2027	(358)
2028	28
Thereafter	<u>129</u>
Total	<u>\$ 2,021</u>

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50%–9.50%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation,

and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ended December 31, 2022.

The long-term expected rate of return on pension plan 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 plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. 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 percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		Long-Term Expected Portfolio Real Rate of Return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	35.00 %	6.87 %	2.40 %
Debt securities	20.00	1.54	0.31
Real assets	18.00	5.43	0.98
Private equity	12.00	9.80	1.18
Absolute return	15.00	3.86	0.58
Cash and cash equivalents	0.00	0.24	0.00
Totals	<u>100 %</u>		5.45 %
Inflation			<u>2.50</u>
Expected arithmetic nominal return			<u>7.95 %</u>

The 6.85% assumed investment rate of return is composed of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. 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 active and inactive employees. 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. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate (in thousands):

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 9,273	\$ 3,499	\$ (1,341)
Contributory System	4,286	627	(2,537)
Tier 2 Public Employees System	<u>950</u>	<u>276</u>	<u>(246)</u>
Proportionate share of net pension liability/(asset)	<u>\$ 14,509</u>	<u>\$ 4,402</u>	<u>\$ (4,124)</u>

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The Corporation participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

In addition to the required contributions shown above, the Corporation contributes an additional 1.5% to the Tier 2 employees 401(k) Plans. The Corporation's employee and employer contributions to the Utah Retirement Define Contribution Savings Plans for the fiscal year ended June 30, 2024 were as follows (in thousands):

	2024	2023	2022
401(k) Plan			
Employer contributions	\$ 384	\$ 348	\$ 315
Employee contributions	357	289	275
457 Plan			
Employee contributions	145	127	37
Roth IRA Plan			
Employee contributions	85	72	57
Traditional IRA Plan			
Employee contributions	1	2	2

17. COMMITMENT AND CONTINGENCY

As of June 30, 2024, the Corporation is committed to purchase mortgages under the warehouse loans and the single-family programs in the amount of \$132,524,000. The Corporation is also committed to purchase mortgages under the multi-family risk share program in the amount of \$3,126,000. These mortgage commitments will be funded through cash and cash equivalents or revolving credit agreements. The warehouse loans and single-family programs are expected to be purchased by the end of September 2024. The multi-family risk share programs are expected to be purchased by the end of April 2026.

18. UNRESTRICTED NET POSITION DESIGNATIONS

The Corporation's board and management have designated the unrestricted net positions of the Operating Fund and Single-Family Program Funds for the following purposes at June 30, 2024 (in thousands):

Future operating expenses	\$ 39,358
Down payment assistance	25,000
Debt service shortfall and maintenance of bond ratings	<u>282,626</u>
Total	<u>\$ 346,984</u>

These designations are reviewed annually by the Corporation's board and management as to amount and purpose.

19. DIVERSITY OF CREDIT RISK

The Corporation purchases mortgage loans secured by residences located throughout the State of Utah. Loans are diversified geographically in approximate proportion to population dispersion.

Guidelines affecting diversity of risk have been established by Corporation management, mortgage insurers, and bond rating agencies in order to minimize losses in the event that certain projects,

geographic areas, or industrial sectors within the state may be adversely affected by natural or economic disaster.

20. RELATED-PARTY TRANSACTIONS

At June 30, 2024, the Corporation had \$149,290,000 in cash held in an investment pool maintained by the Utah State Treasurer and had earned interest income for the year ended of \$8,937,000. During the year ended June 30, 2024, the Corporation recorded payments of \$5,195,000 in the General Operating Fund for retirement plans and health insurance expenses paid to the State of Utah or agencies thereof.

The Act prohibits any member or employee of the Corporation from participating in any action by the Corporation authorizing a transaction to which the member or employee of the Corporation has or will have a direct or indirect interest, unless it is disclosed in a public meeting.

21. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Corporation has issued bonds as outlined below (in thousands):

Issuance Description	Delivery Date	Tax Exempt	Taxable
2024 Series G	8/20/2024	\$ 77,500	\$ -
2024 Series H	8/20/2024	<u>-</u>	<u>147,500</u>
		<u>\$ 77,500</u>	<u>\$ 147,500</u>

* * * * *

REQUIRED SUPPLEMENTAL INFORMATION

UTAH HOUSING CORPORATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2024

	Date	Noncontributory System	Contributory System	Tier 2 Public Employees System
Proportion of the net pension liability	12/31/15	0.0015453%	1.5236271%	0.1707590%
	12/31/16	0.1578277	1.9000816	0.1726572
	12/31/17	0.1590519	2.4067297	0.1738736
	12/31/18	0.1650161	2.9113361	0.1706223
	12/31/19	0.1735812	5.1233160	0.1684787
	12/31/20	0.1778494	6.3690803	0.1688820
	12/31/21	0.1787986	5.3588711	0.1521661
	12/31/22	0.1773396	4.8756941	0.1615999
	12/31/23	0.1707576	6.7529977	0.1420949
Proportionate share of net pension (asset) liability	12/31/15	\$ 4,854,000	\$ 955,000	\$ -
	12/31/16	5,115,000	1,041,000	19,000
	12/31/17	3,889,000	158,000	15,330
	12/31/18	6,139,000	2,067,000	73,074
	12/31/19	3,856,000	354,000	38,000
	12/31/20	2,371,000	(1,515,000)	24,000
	12/31/21	(1,221,000)	(4,826,000)	(64,000)
	12/31/22	3,829,000	637,000	176,000
	12/31/23	3,499,000	627,000	277,000
Covered-employee payroll	12/31/15	3,953,000	483,000	1,103,000
	12/31/16	3,993,000	509,000	1,416,000
	12/31/17	3,934,000	548,000	1,702,000
	12/31/18	4,093,000	565,000	1,993,000
	12/31/19	3,800,000	572,000	2,341,000
	12/31/20	3,769,000	614,000	2,701,000
	12/31/21	3,864,000	454,000	2,824,000
	12/31/22	3,725,000	320,000	3,519,000
	12/31/23	3,681,000	351,000	3,674,000
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12/31/15	122.79 %	197.82 %	(0.03)%
	12/31/16	128.09	204.41	1.36
	12/31/17	98.86	28.92	0.90
	12/31/18	150.00	365.84	3.67
	12/31/19	101.48	61.88	1.62
	12/31/20	62.90	(246.61)	0.90
	12/31/21	(31.62)	(1,063.88)	(2.28)
	12/31/22	102.72	199.04	5.00
	12/31/23	95.04	178.86	7.53
Plan fiduciary net position as a percentage of the total pension plan liability	12/31/15	84.50 %	92.40 %	100.20 %
	12/31/16	84.90	93.40	95.10
	12/31/17	89.20	99.20	97.40
	12/31/18	84.10	91.40	90.80
	12/31/19	90.10	98.90	96.50
	12/31/20	94.30	103.70	98.30
	12/31/21	102.70	114.10	103.80
	12/31/22	91.60	97.90	92.30
	12/31/23	92.49	98.51	89.58

UTAH HOUSING CORPORATION

SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2024

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation To The Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage Of Covered Employee Payroll
Noncontributory System	2015	\$818,000	\$818,000	\$ -	\$ 3,807,000	21.49 %
	2016	857,000	857,000	-	3,993,000	21.46
	2017	847,000	847,000	-	3,955,000	21.42
	2018	859,000	859,000	-	4,021,000	21.36
	2019	866,000	866,000	-	4,046,000	21.40
	2020	846,000	846,000	-	3,812,000	22.19
	2021	832,000	832,000	-	3,749,000	22.19
	2022	810,000	810,000	-	3,654,000	22.17
	2023	865,000	865,000	-	3,897,000	22.20
	2024	808,000	808,000	-	3,634,000	22.23
Contributory System	2015	82,000	82,000	-	465,000	17.63
	2016	87,000	87,000	-	493,000	17.65
	2017	94,000	94,000	-	532,000	17.67
	2018	99,000	99,000	-	560,000	17.68
	2019	103,000	103,000	-	584,000	17.64
	2020	106,000	106,000	-	601,000	17.64
	2021	105,000	105,000	-	596,000	17.62
	2022	54,000	54,000	-	306,000	17.65
	2023	62,000	62,000	-	348,000	17.82
	2024	62,000	62,000	-	349,000	17.70
Tier 2 Public Employees System	2015	186,000	186,000	-	1,018,000	18.27
	2016	231,000	231,000	-	1,264,000	18.28
	2017	282,000	282,000	-	1,544,000	18.26
	2018	344,000	344,000	-	1,866,000	18.44
	2019	398,000	398,000	-	2,113,000	18.84
	2020	500,000	500,000	-	2,634,000	18.98
	2021	511,000	511,000	-	2,673,000	19.12
	2022	590,000	590,000	-	3,039,000	19.41
	2023	751,000	751,000	-	3,787,000	19.83
	2024	804,000	804,000	-	4,053,000	19.84
Tier 2 Public Employees DC Only System*	2015	25,000	25,000	-	244,000	10.25
	2016	36,000	36,000	-	355,000	10.14
	2017	39,000	39,000	-	385,000	10.13
	2018	46,000	46,000	-	454,000	10.13
	2019	59,000	59,000	-	590,000	10.00
	2020	76,000	76,000	-	754,000	10.08
	2021	107,000	107,000	-	1,071,000	9.99
	2022	117,000	117,000	-	1,170,000	10.00
	2023	141,000	141,000	-	1,409,000	10.01
	2024	172,000	172,000	-	1,712,000	10.02

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

UTAH HOUSING CORPORATION

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

1. CHANGES IN ASSUMPTIONS

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023, actuarial experience study.

SUPPLEMENTAL SCHEDULES

UTAH HOUSING CORPORATION

COMBINING BALANCE SHEET AS OF JUNE 30, 2024 (In thousands)

	General Operating Fund	Single-Family Mortgage Program Funds	Housing Development Funds	Total
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 23,015	\$ 122,071	\$ 33,647	\$ 178,733
Investments (partially restricted)	-	246,264	67	246,331
Current maturities of loans receivable (partially restricted)	27	18,567	309	18,903
Interest receivable	10	11,034	295	11,339
Other current assets	4,082	65	168	4,315
Total current assets	27,134	398,001	34,486	459,621
NONCURRENT ASSETS:				
Investments (partially restricted)	-	1,655,780	-	1,655,780
Loans receivable (partially restricted)	1,982	734,025	20,875	756,882
Net investment in capital assets	6,766	-	-	6,766
Mortgage servicing rights	34,702	-	-	34,702
Other assets	-	-	6,978	6,978
Total noncurrent assets	43,450	2,389,805	27,853	2,461,108
Total assets	70,584	2,787,806	62,339	2,920,729
DEFERRED OUTFLOWS:				
Accumulated increase in fair value of hedging derivatives	-	39	-	39
Pension	3,051	-	-	3,051
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 73,635	\$ 2,787,845	\$ 62,339	\$ 2,923,819
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES:				
Interest payable	\$ 11	\$ 22,016	\$ -	\$ 22,027
Current maturities of bonds payable	-	305,979	-	305,979
Current maturities of notes payable	27	22,730	-	22,757
Current portion of subscription liability	724	-	-	724
Other current liabilities	4,185	24,684	1,639	30,508
Total current liabilities	4,947	375,409	1,639	381,995
NONCURRENT LIABILITIES:				
Bonds payable	-	1,977,780	-	1,977,780
Notes payable	1,982	42,368	325	44,675
Unearned revenue	272	-	-	272
Net Pension Liability	4,402	-	-	4,402
Subscription liability	186	-	-	186
Derivative instruments	-	39	-	39
Interfund payable (receivable)	9,732	(9,732)	-	-
Total noncurrent liabilities	16,574	2,010,455	325	2,027,354
Total liabilities	21,521	2,385,864	1,964	2,409,349
DEFERRED INFLOWS:				
Pension	70	-	-	70
Total deferred inflows	70	-	-	70
NET POSITION:				
Net investment in capital assets	5,856	-	-	5,856
Restricted—expendable	-	101,185	60,375	161,560
Unrestricted	46,188	300,796	-	346,984
Total net position	52,044	401,981	60,375	514,400
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 73,635	\$ 2,787,845	\$ 62,339	\$ 2,923,819

UTAH HOUSING CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

	General Operating Fund	Single-Family Mortgage Program Funds	Housing Development Funds	Total
OPERATING REVENUES:				
Interest on loans receivable	\$ 86	\$ 36,947	\$ 754	\$ 37,787
Interest on cash and investments	1,669	71,879	3	73,551
Servicing revenues	17,939	-	-	17,939
Gain on sale of loans	184	17,701	-	17,885
Other revenues	5,856	9	1,983	7,848
Net decrease in the fair value of investments	-	(9,710)	-	(9,710)
Total operating revenues	<u>25,734</u>	<u>116,826</u>	<u>2,740</u>	<u>145,300</u>
OPERATING EXPENSES:				
Interest	74	66,443	-	66,517
Salaries and benefits	15,069	-	-	15,069
General operating expense	4,616	955	2,444	8,015
Loan servicing fees	-	2,028	-	2,028
Amortization of other mortgage servicing rights	14,116	-	-	14,116
Bond issuance expenses	-	7,461	-	7,461
Net provision for loan losses	-	1,664	-	1,664
Depreciation of capital assets	1,237	-	-	1,237
Total operating expenses	<u>35,112</u>	<u>78,551</u>	<u>2,444</u>	<u>116,107</u>
OPERATING (LOSS) INCOME	(9,378)	38,275	296	29,193
TRANSFERS IN (OUT)	<u>8,727</u>	<u>(19,049)</u>	<u>10,322</u>	<u>-</u>
CHANGE IN NET POSITION	(651)	19,226	10,618	29,193
NET POSITION—Beginning of year	<u>52,695</u>	<u>382,755</u>	<u>49,757</u>	<u>485,207</u>
NET POSITION—End of year	<u>\$ 52,044</u>	<u>\$ 401,981</u>	<u>\$ 60,375</u>	<u>\$514,400</u>

UTAH HOUSING CORPORATION

COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

	General Operating Fund	Single-Family Mortgage Program Funds	Housing Development Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interest on loans receivable	\$ 80	\$ 35,900	\$ 752	\$ 36,732
Cash received from payments on loans receivable	(19)	61,330	9,582	70,893
Cash received from loan servicing revenues	17,939	-	-	17,939
Cash received from other revenues	5,590	9	1,980	7,579
Cash received from sale of loan securities	184	1,147,916	351	1,148,451
Purchase of loans receivable	(1,030)	(1,352,940)	(15,195)	(1,369,165)
Purchase of mortgage servicing rights	(18,470)	-	-	(18,470)
Cash payments for servicing fees	-	(2,028)	-	(2,028)
Cash payments for general operating expenses	(6,931)	(1,119)	(2,396)	(10,446)
Cash payments to employees for salaries and benefits	(15,160)	-	-	(15,160)
Net cash used in operating activities	(17,817)	(110,932)	(4,926)	(133,675)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds from bonds payable	-	890,293	-	890,293
Proceeds from revolving credit agreement	-	33,762	-	33,762
Proceeds from notes payable	1,030	26,147	-	27,177
Principal paid on bonds payable	-	(101,204)	-	(101,204)
Principal paid on revolving credit agreement	-	(33,762)	-	(33,762)
Principal paid on notes payable	(19)	(8,201)	(3)	(8,223)
Interest paid on bonds, notes, and revolving credit	(69)	(56,701)	-	(56,770)
Cash payments for bond issuance costs	-	(7,461)	-	(7,461)
Transfers	8,727	(19,049)	10,322	-
Net cash provided by non-capital financing activities	9,669	723,824	10,319	743,812
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES—Purchases of capital assets				
Net cash used in capital and related financing activities	(344)	-	-	(344)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	-	(1,815,729)	-	(1,815,729)
Proceeds from sales and maturities of investments	-	1,070,442	(2)	1,070,440
Interest and dividends on investments	1,669	69,148	-	70,817
Net cash provided by (used in) investing activities	1,669	(676,139)	(2)	(674,472)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS—Beginning of year	29,838	185,318	28,256	243,412
CASH AND CASH EQUIVALENTS—End of year	\$ 23,015	\$ 122,071	\$ 33,647	\$ 178,733

(Continued)

UTAH HOUSING CORPORATION

COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

	General Operating Fund	Single-Family Mortgage Program Funds	Housing Development Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:				
Operating income (loss)	\$ (9,378)	\$ 38,275	\$ 296	\$ 29,193
Adjustments to reconcile operating income to net cash used in operating activities:				
Adjustments for operating activities:				
Depreciation	1,237	-	-	1,237
Interest on cash and investments	(1,669)	(71,879)	-	(73,548)
Net decrease in the fair value of investments	-	9,710	-	9,710
Interest expense	74	66,443	-	66,517
Bond issuance costs	-	7,461	-	7,461
Provision for loan losses	-	1,664	-	1,664
(Increase) decrease in capital assets	(235)	-	-	(235)
Changes in operating assets and liabilities:				
(Increase) decrease in other receivables	-	(186,073)	(841)	(186,914)
(Increase) decrease in other assets	(1,799)	(62)	(4,623)	(6,484)
(Increase) decrease in mortgage servicing rights	(4,354)	-	-	(4,354)
Increase (decrease) in other liabilities	(983)	23,529	242	22,788
Increase (decrease) in net pension asset/liability	(240)	-	-	(240)
Increase (decrease) in subscription liability	(624)	-	-	(624)
Increase (decrease) deferred inflows/outflows for pensions	313	-	-	313
Increase (decrease) in unearned revenue	(159)	-	-	(159)
Total adjustments	(8,439)	(149,207)	(5,222)	(162,868)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (17,817)</u>	<u>\$ (110,932)</u>	<u>\$ (4,926)</u>	<u>\$ (133,675)</u>

(Concluded)

UTAH HOUSING CORPORATION

SINGLE-FAMILY MORTGAGE PROGRAM FUNDS COMBINING BALANCE SHEET AS OF JUNE 30, 2024 (In thousands)

	General Obligation	Single Family Mortgage Loans	2000 Indenture Series	2009 Indenture Series
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ -	\$ 11,907	\$ 709	\$ 662
Investments (partially restricted)	30,608	3,248	4,469	2,521
Current maturities of loans receivable (partially restricted)	9,640	98	542	568
Interest receivable	2,016	16	106	57
Other current assets	62	-	-	-
Total current assets	<u>42,326</u>	<u>15,269</u>	<u>5,826</u>	<u>3,808</u>
NONCURRENT ASSETS:				
Investments (partially restricted)	-	-	7,203	116
Loans receivable (partially restricted)	<u>361,767</u>	<u>542</u>	<u>12,594</u>	<u>13,040</u>
Total noncurrent assets	<u>361,767</u>	<u>542</u>	<u>19,797</u>	<u>13,156</u>
Total assets	404,093	15,811	25,623	16,964
DEFERRED OUTFLOWS:				
Accumulated change in fair value of hedging derivatives	<u>39</u>	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 404,132</u>	<u>\$ 15,811</u>	<u>\$ 25,623</u>	<u>\$ 16,964</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES:				
Interest payable	\$ -	\$ -	\$ 537	\$ 115
Current maturities of bonds payable	-	-	1,191	395
Current maturities of notes payable	-	-	-	-
Other current liabilities	<u>24,484</u>	-	-	-
Total current liabilities	<u>24,484</u>	-	<u>1,728</u>	<u>510</u>
NONCURRENT LIABILITIES:				
Bonds payable	-	-	27,177	7,100
Notes payable	-	-	-	-
Derivative Instruments	39	-	-	-
Interfund payable (receivable)	<u>74,002</u>	<u>(49,449)</u>	<u>1,529</u>	<u>17</u>
Total noncurrent liabilities	<u>74,041</u>	<u>(49,449)</u>	<u>28,706</u>	<u>7,117</u>
Total liabilities	<u>98,525</u>	<u>(49,449)</u>	<u>30,434</u>	<u>7,627</u>
DEFERRED INFLOWS:				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION:				
Restricted—expendable	-	65,260	-	9,337
Unrestricted	<u>305,607</u>	-	<u>(4,811)</u>	-
Total net position	<u>305,607</u>	<u>65,260</u>	<u>(4,811)</u>	<u>9,337</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 404,132</u>	<u>\$ 15,811</u>	<u>\$ 25,623</u>	<u>\$ 16,964</u>

(Continued)

UTAH HOUSING CORPORATION

SINGLE-FAMILY MORTGAGE PROGRAM FUNDS COMBINING BALANCE SHEET AS OF JUNE 30, 2024 (In thousands)

	2012 Indenture Series	2019 Indenture Series	CRA Participation	MBS Series	Total
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ -	\$ -	\$ 12,939	\$ 95,854	\$ 122,071
Investments (partially restricted)	34,175	171,243	-	-	246,264
Current maturities of loans receivable (partially restricted)	3,983	1,237	2,499	-	18,567
Interest receivable	1,304	3,740	272	3,523	11,034
Other current assets	-	-	-	3	65
Total current assets	39,462	176,220	15,710	99,380	398,001
NONCURRENT ASSETS:					
Investments (partially restricted)	(4,871)	593,784	-	1,059,548	1,655,780
Loans receivable (partially restricted)	211,423	72,588	62,071	-	734,025
Total noncurrent assets	206,552	666,372	62,071	1,059,548	2,389,805
Total assets	246,014	842,592	77,781	1,158,928	2,787,806
DEFERRED OUTFLOWS					
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	39
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 246,014	\$ 842,592	\$ 77,781	\$ 1,158,928	\$ 2,787,845
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION					
CURRENT LIABILITIES:					
Interest payable	\$ 3,736	\$ 13,877	\$ 228	\$ 3,523	\$ 22,016
Current maturities of bonds payable	4,079	6,308	-	294,006	305,979
Current maturities of notes payable	-	-	22,730	-	22,730
Other current liabilities	66	14	6	114	24,684
Total current liabilities	7,881	20,199	22,964	297,643	375,409
NONCURRENT LIABILITIES:					
Bonds payable	216,352	795,624	-	931,527	1,977,780
Notes payable	-	-	42,368	-	42,368
Derivative Instruments	-	-	-	-	39
Interfund payable (receivable)	1,818	529	(1)	(38,177)	(9,732)
Total noncurrent liabilities	218,170	796,153	42,367	893,350	2,010,455
Total liabilities	226,051	816,352	65,331	1,190,993	2,385,864
DEFERRED INFLOWS					
	-	-	-	-	-
NET POSITION:					
Restricted—expendable	19,963	26,240	12,450	(32,065)	101,185
Unrestricted	-	-	-	-	300,796
Total net position	19,963	26,240	12,450	(32,065)	401,981
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 246,014	\$ 842,592	\$ 77,781	\$ 1,158,928	\$ 2,787,845

(Concluded)

UTAH HOUSING CORPORATION

SINGLE-FAMILY MORTGAGE PROGRAM FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

	General Obligation	Single Family Mortgage Loans	2000 Indenture Series	2009 Indenture Series
OPERATING REVENUES:				
Interest on loans receivable	\$ 20,740	\$ 40	\$ 609	\$ 674
Interest on cash and investments	6,784	3,447	615	102
Gain on sale of loans	15,450	-	-	-
Other revenues	9	-	-	-
Net decrease in the fair value of investments	143	-	4	2
Total operating revenues	<u>43,126</u>	<u>3,487</u>	<u>1,228</u>	<u>778</u>
OPERATING EXPENSES:				
Interest			1,070	247
General operating expense	609	69	6	12
Loan servicing fees	976	3	48	49
Bond issuance expenses	-	-	-	-
Net provision (recovery) for loan losses	1,051	-	(2)	(2)
Total operating expenses	<u>2,636</u>	<u>72</u>	<u>1,122</u>	<u>306</u>
OPERATING INCOME (LOSS)	40,490	3,415	106	472
TRANSFERS (OUT) IN	<u>(32,548)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	7,942	3,415	106	472
NET POSITION—Beginning of year	<u>297,665</u>	<u>61,845</u>	<u>(4,917)</u>	<u>8,865</u>
NET POSITION—End of year	<u>\$ 305,607</u>	<u>\$ 65,260</u>	<u>\$ (4,811)</u>	<u>\$ 9,337</u>

(Continued)

UTAH HOUSING CORPORATION

SINGLE-FAMILY MORTGAGE PROGRAM FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2024 (In thousands)

	2012 Indenture Series	2019 Indenture Series	CRA Participation	MBS Series	Total
OPERATING REVENUES:					
Interest on loans receivable	\$ 8,374	\$ 2,800	\$ 3,710	\$	\$ 36,947
Interest on cash and investments	1,574	16,438		42,919	71,879
Gain on sale of loans				2,251	17,701
Other revenues					9
Net decrease in the fair value of investments	(51)	4,268		(14,076)	(9,710)
Total operating revenues	9,897	23,506	3,710	31,094	116,826
OPERATING EXPENSES:					
Interest	6,922	16,288	2,773	39,143	66,443
General operating expense	52	20		187	955
Loan servicing fees	568	170	214		2,028
Bond issuance expenses	638	6,314		509	7,461
Net provision (recovery) for loan losses	50	549	18		1,664
Total operating expenses	8,230	23,341	3,005	39,839	78,551
OPERATING INCOME (LOSS)	1,667	165	705	(8,745)	38,275
TRANSFERS IN (OUT)	638	12,861			(19,049)
CHANGE IN NET POSITION	2,305	13,026	705	(8,745)	19,226
NET POSITION—Beginning of year	17,658	13,214	11,745	(23,320)	382,755
NET POSITION—End of year	<u>\$19,963</u>	<u>\$26,240</u>	<u>\$12,450</u>	<u>\$(32,065)</u>	<u>\$ 401,981</u>

(Concluded)



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Audit Committee of
Utah Housing Corporation
West Valley City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Utah Housing Corporation (the "Corporation"), which comprise the balance sheet as of June 30, 2024, and related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

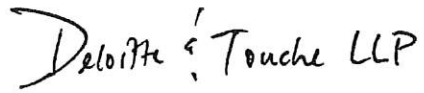
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

September 17, 2024

M E M O R A N D U M

To: UHC Trustees

From: David C. Damschen
President

Date: October 3, 2024

Subject: Resolution 2024-26, Sale of Multifamily Housing Revenue Bonds
(Promontory Place, Salt Lake City, Utah)

Recommendation

It is recommended that the Trustees adopt Resolution 2024-26 authorizing the issuance and sale of tax-exempt multifamily housing revenue bonds in an amount not to exceed \$42,350,000 to finance a 175-unit multifamily rental development. In authorizing these bonds, at no taxpayer expense, UHC will permit the following to be accomplished:

- Construct 175 units of rental housing for low-income individuals and families.
- Import approximately \$71,797,995 into Utah (including tax credit equity investment).
- Employ Utahns in the construction trades and related industries.

Background

Promontory Place is a new construction development located on approximately 1.20 acres at 1025 W. North Temple, Salt Lake City, Utah. Construction has begun and is currently 60-70% complete. The project will consist of 53 one-bedroom/one-bathroom units, 110 two-bedroom/one-bathroom units, and 12 three-bedroom/two-bathroom units, targeting renter households at or below 60% of area median income levels. Amenities will include trash valet service, 24-hour fitness center, swimming pool, spa, seating and sunbathing deck, picnic tables, bicycle rack with a built-in fix-it station, mail and package center, and covered parking.

The project will be financed with up to \$42,350,000 of tax-exempt bonds issued by UHC. If the bonds are not paid, there is no recourse to UHC. The bonds will be issued in fully registered form and shall mature on or before December 1, 2064, with a fixed interest rate not to exceed 10% per annum. Key Bank National Association will provide the short-term construction financing and the permanent loan.

Promontory Place Apartments, LLC, a subsidiary of Alta Bay Capital, will own the project along with the tax credit partner Enterprise. The developer is Alta Bay Capital, and the contractor is DG Construction Services Corp. The trustee is U.S. Bank Trust Company, National Association.

The State Private Activity Bond Board allocated a total of \$38,500,000 of tax-exempt bond cap to the project on April 10, 2024. In order to allow for cost overruns UHC typically approves a slightly higher not-to-exceed amount. For this project, the recommended not-to-exceed amount is \$42,350,000. A public hearing by UHC regarding the sale of the bonds was held September 23, 2024. The tax-exempt bonds will provide the acquisition, construction, and permanent financing. An additional amount of approximately \$29,519,977 will be raised through the sale of the 4% Federal Housing Tax Credits allocated by UHC and sold to Enterprise. The owner will be required to provide all upfront costs of issuing the bonds, such as legal fees, bond counsel fees, etc. UHC will charge an upfront fee equal to approximately \$268,125 plus its out-of-pocket expenses but will charge no annual fee.

The developer has extensive multifamily experience, including owning numerous market rate developments in Utah. This is their second affordable multifamily rental housing project in Utah, the first being Alta Vue Apartments, which is currently under construction. The developer's third affordable multifamily project in Utah has been awarded volume cap but has not yet applied for 4% credits, Alta Fairpark. Other previous LIHTC experience includes developing an 84-unit LIHTC project in Virginia, and a 60-unit restricted project in Missouri.

RESOLUTION NO. 2024-26

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING THE ISSUANCE AND SALE BY UHC OF ITS MULTIFAMILY HOUSING REVENUE BONDS (PROMONTORY PLACE APARTMENTS) SERIES 2024 IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$42,350,000, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; AUTHORIZING THE EXECUTION BY UHC OF AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A FINANCING AGREEMENT, A TAX REGULATORY AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (“UHC”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, the Act authorizes UHC to issue bonds to provide funds to make mortgage loans to finance multifamily residential housing for low and moderate income persons, including incidental or appurtenant nonhousing facilities; and

WHEREAS, Promontory Place Apartments, LLC, a Utah limited liability company, or a designee (the “Borrower”), has requested that UHC provide financing for certain qualified expenditures with proceeds of mortgage revenue bonds, such expenditures to be incurred by the Borrower to finance the acquisition, construction and equipping of a multifamily rental housing development described in Exhibit A to be occupied in part by low or moderate income persons in compliance with the Act, UHC rules and applicable provisions of the Internal Revenue Code, together with certain appurtenant facilities (the “Project”); and

WHEREAS, the purposes of UHC are to provide decent, safe and sanitary residential housing to low and moderate income persons, and UHC has determined that it will serve and fulfill the purposes for which it was created by financing the acquisition, construction and equipping of the Project; and

WHEREAS, in furtherance of its purposes, it has been deemed appropriate and necessary that UHC authorize the issuance of its Multifamily Housing Revenue Bonds (Promontory Place Apartments) Series 2024 (the “Bonds”) in one or more series and prescribe and establish conditions and other appropriate matters with respect to the issuance of the Bonds; and

WHEREAS, the Bonds shall be special obligations of UHC payable solely from and secured by a lien on the proceeds, moneys, revenues, rights, interests and collections pledged therefor under the Indenture, as hereinafter defined, and shall not be a general obligation of UHC, the State of Utah or any subdivision thereof; and

WHEREAS, it has been deemed appropriate and necessary that UHC authorize the execution and delivery of a Bond Purchase Agreement relating to the Bonds (the “Bond Purchase Agreement”) among UHC, the Borrower and KeyBanc Capital Markets Inc. (the “Underwriter”), an Indenture of Trust (the “Indenture”) between UHC and U.S. Bank Trust Company, National Association (the “Trustee”), a Tax Regulatory Agreement (the “Regulatory Agreement”) among UHC, the Trustee and the Borrower, and a Financing Agreement (the “Financing Agreement”) among UHC, the Borrower and the Trustee, pursuant to which the Borrower will agree to repay the loan and will agree to use the proceeds of said loan to finance the acquisition, construction and equipping of the Project, and to ratify the use of a preliminary official statement (the “Preliminary Official Statement”) relating to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY UTAH HOUSING CORPORATION, AS FOLLOWS:

Section 1. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

Section 2. UHC hereby finds, determines and declares that the issuance of the Bonds to provide funds to finance the acquisition, construction and equipping of the Project is in furtherance of the public purposes set forth in the Act and in compliance with the provisions of the Act, and that the issuance of the Bonds is therefore in the public interest.

Section 3. The Indenture, the Financing Agreement, the Bond Purchase Agreement and the Regulatory Agreement (collectively with the Bonds, the “UHC Bond Documents”) and all other related financing, collateral and security documents to be executed or acknowledged by UHC in connection therewith (collectively, the “Additional Bond Documents”) in forms approved by the President are in all respects authorized, approved and confirmed. The Chair and President of UHC are hereby authorized to execute, attest, seal and deliver the UHC Bond Documents and the Additional Bond

Documents for and on behalf of UHC with such alterations, changes or additions as may be authorized by Section 9 hereof.

Section 4. For the purpose of providing decent, safe and sanitary residential housing to low and moderate income persons within the State of Utah, all as authorized under the Act, UHC is hereby authorized to issue the Bonds in one or more series in an aggregate principal amount not to exceed \$42,350,000. The Bonds shall be issued only in fully registered form and shall mature on or before December 1, 2064. The Bonds shall bear interest at interest rates not to exceed 10% per annum.

Section 5. The form, terms, designation and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, number, and drawdown shall be as set forth in the Indenture. The Chair and the President of UHC are hereby authorized to execute, attest and seal by facsimile the Bonds and to deliver the Bonds to the bond registrar for authentication.

Section 6. The Bonds shall be sold to the Underwriter at a price not less than 97% of the principal amount thereof plus accrued interest, if any. The Chair and the President of UHC are hereby authorized to execute and deliver a Bond Purchase Agreement in form approved by the President for and on behalf of UHC. The Chair and the President are hereby authorized to specify and agree as to the interest rates, maturities and tax-exempt characteristics of the Bonds for and on behalf of UHC by the execution of the Bond Purchase Agreement and the Indenture, provided such terms are within the parameters set by this resolution. UHC hereby consents to the use of the Preliminary Official Statement in connection with the offering of the Bonds. UHC hereby authorizes the use and distribution by the Underwriter of a final official statement, substantially in the form of the Preliminary Official Statement with such changes as are necessary or appropriate, in connection with the offering of the Bonds.

Section 7. The Chair and the President are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions as contemplated herein and are authorized to take all action necessary in conformity with the Act. All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC directed toward the transactions contemplated hereunder are hereby ratified and approved.

Section 8. Upon their issuance, the Bonds will constitute special limited obligations of UHC payable solely from and to the extent of the sources set forth in the UHC Bond Documents and the Indenture. No provision of this resolution or of the Bond Purchase Agreement, the UHC Bond Documents, the Additional Bond Documents, the Bonds or any other instrument, shall be construed as creating a general obligation of UHC, or as creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of UHC.

Section 9. The appropriate officials of UHC, including without limitation the Chair and the President, are authorized to make any alterations, changes or additions in the UHC Bond Documents, the Additional Bond Documents the Bonds, the Bond

Purchase Agreement or any other document herein authorized and approved which may be necessary or desirable, provided the terms are not inconsistent with the provisions hereof and the Act and the rules of UHC.

Section 10. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 11. The Chair and the President are hereby authorized and directed to execute and deliver for and on behalf of UHC any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and the documents authorized and approved herein.

Section 12. After the Bonds are delivered to the Underwriter and upon receipt of payment therefor, this resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 13. Except as otherwise disclosed to the trustees of the Board of UHC prior to the adoption of this resolution, no trustee or employee of UHC has any interest, direct or indirect, in the transactions contemplated by UHC herein.

Section 14. Gilmore & Bell, P.C. is hereby appointed as bond counsel to UHC.

Section 15. All resolutions of UHC or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 16. This resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY UTAH HOUSING CORPORATION THIS
3RD DAY OF OCTOBER, 2024.

Chair

(SEAL)

ATTEST:

President

EXHIBIT A

DESCRIPTION AND LOCATION OF PROJECT

The Project will consist of a multifamily housing project located at approximately 1025 W. North Temple, Salt Lake City, Utah 84116. The Project site consists of approximately 1.20 acres. The Project will include approximately 175 units.

Promontory Place Apartments
1025 W. North Temple, Salt Lake City, Utah 84116
Promontory Place Apartments, LLC

Promontory Point is a new construction development proposed by Promontory Place Apartments, LLC, a subsidiary of Alta Bay Capital. Upon completion it will offer 53 one-bedroom/one-bathroom units, 110 two-bedroom/one-bathroom units, and 12 three-bedroom/two-bathroom units, targeting renter households at or below 60% of area median income levels.

The project is comprised of a single building consisting of seven floors with elevator service. Project amenities will include trash valet service, a fitness center, bike racks, a mail and package center, secured covered parking, and outdoor recreation including a swimming pool, spa, seating areas, sunbathing deck, chaises, and picnic tables, and a rideshare waiting area.

The approximate 1.20-acre site is located at 1025 W. North Temple, Salt Lake City. The site is situated 0.14 miles from the Fairpark Station (TRAX light rail), 0.03 miles to a bus stop and is in close proximity to downtown Salt Lake City.

Alta Bay Capital is the developer. The developer has extensive multifamily experience, including owning numerous market rate developments in Utah. This is their second affordable multifamily rental housing project in Utah, the first being Alta Vue Apartments, which is currently under construction. The developer's third and fourth affordable multifamily projects in Utah have been awarded volume cap but have not yet applied for 4% credits, Alta Fairpark and Alta North. Other previous LIHTC experience includes developing an 84-unit LIHTC project in Virginia, and a 60-unit restricted project in Missouri.



1025 W North Temple St

Promontory Place



Imagery ©2024 Airbus, Maxar Technologies, USDA/FPAC/GEO, Map data ©2024 Google 500 ft

M E M O R A N D U M

To: UHC Trustees
From: David C. Damschen
President
Date: October 3, 2024
Subject: Resolution 2024-27 Reservation of Federal 4% Housing Tax Credits

Recommendation for Reservation of Credits:

Following extensive staff review and analysis, the President recommends that the Trustees adopt Resolution 2024-27 which:

- 1) Reserves **Federal 4%** 2024 Housing Tax Credits in the amount and to the project identified in Exhibit A to Resolution 2024-27, subject to any conditions, modifications, or clarifications therein. These credits are not subject to competition and are generally available to projects that use Private Activity Bonds to provide funding for the project.

Background

UHC is designated by the Utah Code to be the State's Housing Tax Credit allocator with respect to both Federal and State of Utah Housing Tax Credits. Credits are allocated in accordance with the Qualified Allocation Plan ("QAP") established in accordance with Federal and State Code.

One conforming application was submitted to UHC for 4% non-competitive Federal Credits for a project that was awarded Private Activity Bonds on April 10, 2024.

The QAP establishes, among other things: (i) selection criteria to be used to determine housing priorities appropriate to local conditions; and (ii) procedures for monitoring and reporting compliance with the program.

Furthermore, approval of this Resolution:

- (1) Reserves, with conditions, Federal and State Housing Tax Credits for the recommended projects and authorizes the President to take specific action necessary to complete the allocation of such credits within the scope and criteria of the QAP, Federal and State Code;
- (2) Authorizes the President to collect all fees, bonds, and deposits established by the QAP; and
- (3) Authorizes the President to make alterations, modifications and revisions to program documents as necessary to further the goals and purposes of the Housing Tax Credit Program.

RESOLUTION NO. 2024-27

A RESOLUTION OF THE UTAH HOUSING CORPORATION RESERVING FEDERAL HOUSING TAX CREDITS

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, currently known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (the “UHC”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, a public purpose of UHC is to provide decent, safe and sanitary residential housing to low and moderate income person; and

WHEREAS, UHC is designated by the Act to be the State's “Housing Credit Agency” within the meaning of 26 U.S.C. Sec. 42 (the “Federal Code”); and

WHEREAS, UHC adopted and amended a Qualified Allocation Plan (the “Allocation Plan”) and the Governor of Utah approved such amended Allocation Plan in accordance with the Federal Code; and

WHEREAS, in furtherance of the goals and purposes of UHC’s Housing Credit Program, UHC accepted and evaluated an application for the reservation of Federal Tax Credits in accordance with the Allocation Plan; and

WHEREAS, the staff of UHC have reviewed the application for Federal Tax Credits and Trustees are satisfied that reserving credits for the project indicated in Exhibit A attached hereto and incorporated herein will further the goals and purposes of UHC’s Housing Credit Program.

NOW, THEREFORE, BE IT RESOLVED BY THE UTAH HOUSING CORPORATION, AS FOLLOWS:

Section 1. All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC directed toward the reservation and allocation of Federal Tax credits are hereby ratified and approved.

Section 2. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

Section 3. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 4. Federal Tax Credits are conditionally reserved in the amounts and for the project so identified in Exhibit A, subject to any conditions, modifications or clarifications set forth therein or in the minutes of UHC and the President is authorized to execute and deliver notices of the said conditional reservation to the owners of these projects.

Section 5. The President is authorized to issue IRS Forms 8609 to the owners of the project receiving Federal Tax Credits and to execute all documents required therefore, upon the project's satisfaction of requirements set forth in the Federal Code and the Allocation Plan.

Section 6. The President is authorized to collect all fees, bonds, and deposits established by the Allocation Plan.

Section 7. The President is authorized to approve any additional terms, provisions, alterations, changes or additions in any document herein authorized and approved which may be necessary or appropriate and which are not inconsistent with the provisions of the Allocation Plan, this resolution, the UHC governing act and the rules and bylaws of UHC.

Section 8. Except as otherwise disclosed to the trustees of the Board of UHC prior to the adoption of this resolution, no trustee or employee of UHC has any interest, direct or indirect, in the transactions contemplated by UHC hereunder.

Section 9. All resolutions of UHC or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 10. This resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED BY THE UTAH HOUSING CORPORATION THIS 3RD
DAY OF OCTOBER, 2024.**

(SEAL)

Chair

ATTEST:

President

UTAH HOUSING CORPORATION
RESOLUTION 2024-27

EXHIBIT A

General:

This is a non-competitive round for credit year 2024 and is available for applicants of Federal 4% Housing Tax Credits.

All reservations made herein, are made with the following General Conditions, notwithstanding certain Specific Conditions that may be made on individual projects, as enumerated in the Notes.

General Conditions:

- (1) The IRS Code requires that projects are subject to ongoing reviews which may result in downward adjustments of tax credits for changes in: final cost of units, efficiency of production, cash flow, grants and subsidies, financial "gap", etc.*
- (2) All reservations subject to representations made in the application.*
- (3) All reservations subject to all open legal, operational and financial issues.*

Tax Credit Allocation							
Project Name	LI/Market Units	City	County	4% Federal	9% Federal	2024 State	Notes
Promontory Place	175/0	Salt Lake City	Salt Lake	\$3,209,014		\$700,000	<i>a, b</i>
Total:	175/0	Total Amount:		\$3,209,014		\$700,000	

Note a: This project received an award of tax-exempt volume cap from the Private Activity Bond Board on April 10, 2024.

Note b: This project previously received a State Tax Credit award on September 5, 2024 in the amount of \$700,000 which was contingent upon receiving future 4% Federal Credits.

M E M O R A N D U M

To: UHC Trustees
From: Andrew Nestlehut
Senior Vice President and CFO
Date: October 3rd, 2024

Subject: Operating Report Summary and Trends

Summary:

The financial statements and operating reports dated August 31, 2024 show the impact of higher interest rates, the continual shift to a traditional mortgage revenue bond (MRB) structure for the finance of single family programs, and the ability to bring new programs and capital sources to help mitigate the negative affordable housing environment. The corporation's single family loan production has been strong, driven by the First Time Homebuyer Program. Average home prices have leveled off and now the near-term direction of Fed Policy, while still unknown, has begun to take shape. In September, the Federal Open Market Committee cut the benchmark federal funds rate by 0.50%. According to Freddie Mac, the average rate on a 30-year fixed rate mortgage for the week of September 16th dropped to 6.09%, from a high of nearly 8% last October, driven by expectations of lower interest rates. However, the decrease in mortgage rates is unlikely to address other factors in housing affordability. Current market conditions continue to favor long term wealth generation rather than up front premium revenues, but the Corporation will continue to employ best execution practices as market conditions shift.

Analysis:

- The Single-Family Program Capital Sources tables (both fiscal and calendar) show a multi-year perspective of UHC's capital sources. During the first two (2) months of fiscal year 2025, while there has been a carve out for Freddie Mac (FHLMC) cash window sale (\$15.5MM), main sources of capital have consisted of the sale of Ginnie Mae (GNMA) Securities (\$51.4MM) and the issuance of MRBs (\$171.5MM), taxable and tax-exempt. These sources have provided \$238.1MM of capital for affordable housing programs during this period. Consistent with the executional shift, approximately 72% is executed under the traditional MRBs model. Returns for the FHLMC cash window and GNMA Securities are 2.37% and 2.49%, respectively, and 1.45% and 1.8% below historical averages, respectively. We project a similar split of execution based on current net present value returns for MRBs (up to 400 bps in varying prepayment scenario value at current structures). However, as alluded to in the summary, Fed Policy evaluation will be at the forefront, as lower interest rates have the ability to increase the premium in the sale of mortgage-backed securities (MBS) in the secondary market.
- The set of pie charts summarize UHC's program production, differentiating by capital source. Total volume of production for the first month of fiscal year 2025 is six-hundred and seventeen (617) loans for approximately \$238.1MM. Initial projections slightly higher than last year's total fiscal year production of approximately three thousand and four hundred (3,400) loans for close to \$1.3BB, but we expect these to normalize. These estimates are driven by the demand for the First Time Home

Buyer Program, currently up from 47% to 53% of overall reservations. Assuming current levels of production continue or accelerate, we expect to fully deplete the program's funding by the end of fiscal year 2025.

- Month-end Unaudited Financial Statements are outlined into three (3) components: Balance Sheet, Statement of Revenue and Expenses, and Budgetary components.
 - Balance Sheet analysis shows the Corporation's total assets are \$3.2 billion and 9.17% higher than the fiscal year ended June 30, 2024. The fair market value adjustment (FMV) has now changed directions as interest rates have declined and as the mix of balance sheet investments has changed with the new bonding activity. The FMV adjustment is now positive \$46.3MM, adding to net income. This valuation relates mainly to our large portfolio of MBS investments. FMV adjustments will continue to trend in a positive direction should interest rates continue to decline, until the portfolio has a mix of both higher and lower rate coupons. Additionally, prepayments have slowed down and the mortgage loan portfolio held on the balance sheet has increased, producing changes in the mix and valuation between mortgage loans and or MBS held as investments.
 - The Statement of Revenue and Expenses analysis indicates that fiscal year net income is \$5.8 million before Fair Market Value (FMV) adjustment. This amount is slightly below the forecasted amount of \$6.2 million. The two biggest contributors to this increase in net income are higher interest revenue and additional other fees across the Corporation. Previously, the main driver of net income has been the Gain on Sale of Loans, which had the ability to fluctuate based on market conditions and varying execution decisions. Last month we discussed this was approximately 12% favorable to budget and not expected to maintain elevated favorability with current strategies. This has come to fruition with the increase to interest expenses during the month of August.
 - Budgetarily, the Corporation is on track with the overall annual budget approved by the Board for fiscal year 2025. The General and Administrative Budget and Mortgage Servicing Budget are at 15.2% and 14.11%, respectively, as based upon 16.7% completion for the year. More detail can be provided as needed, however, given annualization of varying costs and the time period reported, additional details and trends will be discussed in more depth in the near future.

Single Family Program
Secondary Market Capital Sources
as of 8/31/24

GNMA Securities Sold					
Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	GNMA Security Amounts	Avg. Net Premium	Net Premium Amt Rec'd
2009-20 Total/Avg.	4.13%	35.2	\$ 3,442,584,910	105.25%	\$ 180,662,038
2020-21 Total/Avg.	2.89%	32.1	\$ 890,635,605	105.55%	\$ 49,461,153
2021-22 Total/Avg.	3.38%	33.6	\$ 687,316,372	103.27%	\$ 22,500,684
2022-23 Total/Avg.	5.67%	50.1	\$ 387,976,004	102.17%	\$ 8,415,782
2023-24 Total/Avg.	5.87%	43.5	\$ 395,881,320	102.30%	\$ 9,094,029
2024-25 YTD Total/Avg.	5.72%	44.7	\$ 49,323,003	102.90%	\$ 1,428,531
GNMA YTD Totals/Avg.	4.31%	37.0	\$ 5,853,717,214	104.64%	\$ 271,562,217

Tax Exempt GNMA Sold					
Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	GNMA Security Amounts	Avg. Net Premium	Net Premium Amt Rec'd
2013-20 Total/Avg.	3.65%	36.9	\$ 1,744,311,541	104.43%	\$ 78,822,994
2020-21 Total/Avg.	2.47%	28.9	\$ 401,076,536	105.03%	\$ 20,172,605
2021-22 Total/Avg.	2.83%	37.9	\$ 454,748,374	104.08%	\$ 18,539,391
2022-23 Total/Avg.	5.48%	51.9	\$ 233,980,301	102.33%	\$ 5,447,252
2023-24 YTD Total/Avg.	6.37%	50.4	\$ 73,262,925	102.49%	\$ 1,824,922
Tax Exempt GNMA Totals/Avg.	3.88%	38.9	\$ 2,907,379,677	104.29%	\$ 124,807,164

FNMA/Freddie Whole Loans Sold					
Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	Principal	Avg. Net Premium	Net Premium Amt Rec'd
2013-20 Total/Avg.	4.92%	28.5	\$ 391,536,844	104.28%	\$ 16,775,894
2020-21 Total/Avg.	4.40%	25.0	\$ 3,466,454	106.36%	\$ 220,498
2021-22 Total/Avg.	5.47%	25.0	\$ 2,044,409	104.30%	\$ 87,850
2022-23 Total/Avg.	6.16%	25.0	\$ 27,993,108	102.67%	\$ 748,277
2023-24 Total/Avg.	6.43%	25.0	\$ 78,968,044	102.13%	\$ 1,683,302
2024-25 YTD Total/Avg.	6.52%	25.0	\$ 19,398,163	102.37%	\$ 460,282
FNMA Totals/Avg.	5.32%	26.9	\$ 523,407,023	103.82%	\$ 19,976,103

FNMA/Freddie Securities Sold					
Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	FNMA Security Amounts	Avg. Net Premium	Net Premium Amt Rec'd
2014-20 Total/Avg.	3.99%	25.0	\$ 906,599,734	104.03%	\$ 36,533,684
2020-21 Total/Avg.	3.60%	25.0	\$ 24,445,313	105.11%	\$ 1,248,686
FNMA Totals/Avg.	3.93%	25.0	\$ 931,045,047	104.06%	\$ 37,782,370

CRA Participation Pools Sold					
Fiscal Year	Avg. Pass Thru Rate	Weighted Avg Loan Rate	Principal	Avg. Spread	Anticipated Annual Income
2012-20 Total/Avg. (UBS/AMEX)	2.62%	4.068%	\$ 292,101,743	1.45%	\$ 4,165,904
2022-23 Total/Avg. (UBS)	4.96%	6.271%	\$ 25,181,556	1.31%	\$ 330,130
2023-24 YTD Total/Avg. (UBS)	4.97%	6.458%	\$ 14,087,459	1.49%	\$ 209,621
CRA Totals/Avg.	3.21%	4.642%	\$ 331,370,758	1.43%	\$ 4,705,656

Taxable Bonds (2012 Indenture)					
Fiscal Year	Avg. Pass Thru Rate	Weighted Avg Loan Rate	Principal	Avg. Spread	Anticipated Annual Income
2012-20 Total/Avg.	2.81%	4.42%	\$ 532,669,477	1.61%	\$ 9,446,993
2020-21 Total/Avg.	1.88%	3.475%	\$ 27,194,948	1.60%	\$ 434,983
2021-22 Total/Avg.	2.61%	3.805%	\$ 64,562,149	1.20%	\$ 772,809
2022-23 Total/Avg.	5.45%	6.437%	\$ 48,455,779	0.99%	\$ 478,259
2023-24 YTD Total/Avg.	5.63%	7.054%	\$ 55,004,926	1.43%	\$ 786,020
Taxable Bonds Totals/Avg.	3.17%	4.676%	\$ 727,887,279	1.51%	\$ 11,919,064

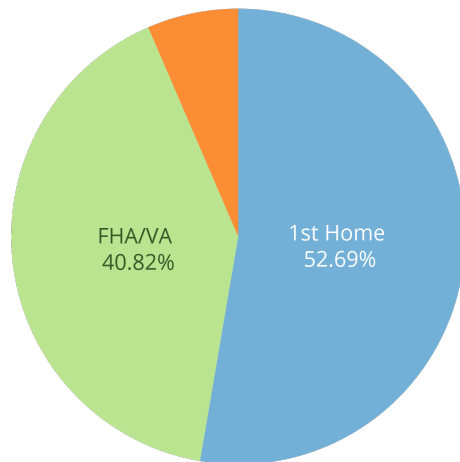
2019 Indenture					
Fiscal Year	Avg. Composite Bond Yield	Avg. Mortgage Rate	Principal	Avg. Spread	Anticipated Annual Income
2015-16 Total/Avg.	2.82%	3.94%	\$ 65,084,595	1.125%	\$ 732,202
2023-24 Total/Avg.	5.37%	6.50%	\$ 72,495,301	1.127%	\$ 817,022
2024-25 YTD Total/Avg.	5.14%	6.44%	\$ 225,000,000	1.300%	\$ 2,925,000

Fiscal Year Purchased Loans - As of August 31st, 2024

Purchased Loans FY 2025 by Program Type

617Total Loans

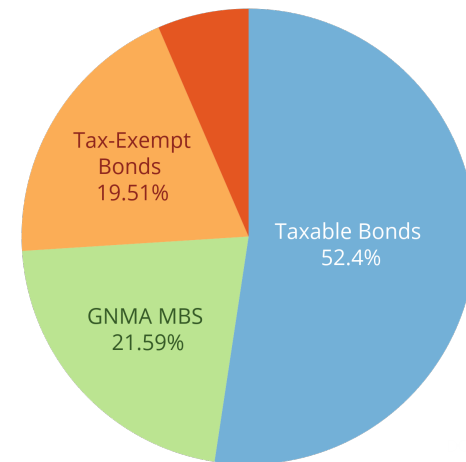
1st Home	126M	52.7%
FHA/VA	97.4M	40.8%
HFA Advantage	15.5M	6.49%



Purchased Loans FY 2025 By Capital Source

\$238,185,152Sum of Amount

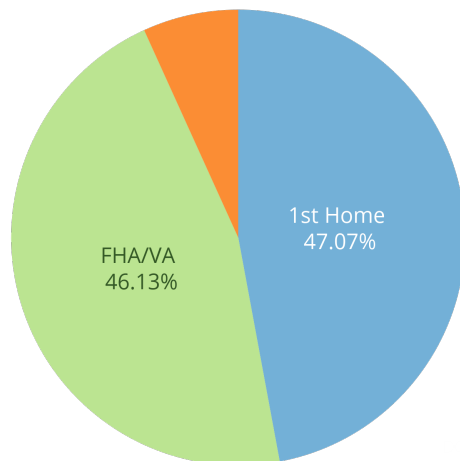
Taxable Bonds	125M	52.4%
GNMA MBS	51.4M	21.6%
Tax-Exempt Bonds	46.5M	19.5%
FNMA/FREDDIE	15.5M	6.5%



Purchased Loans FY 2024 by Program Type

3,384Total Loans

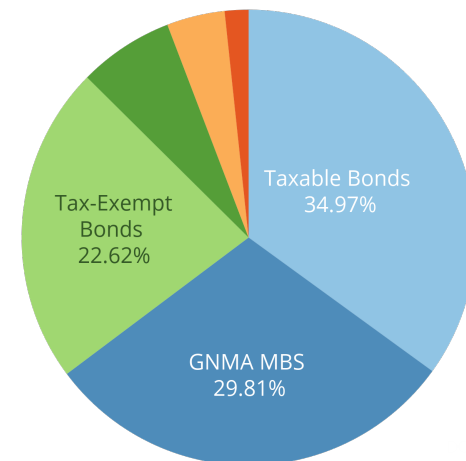
1st Home	\$600M	47.1%
FHA/VA	\$588M	46.1%
HFA Advantage	\$86.6M	6.8%



Purchased Loans FY 2024 By Capital Source

\$1,273,769,839Total Amount

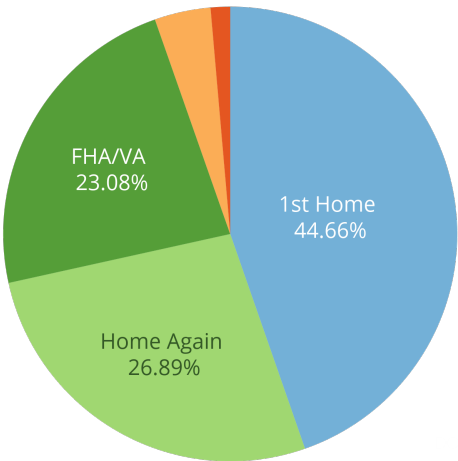
Taxable Bonds	445M	35.0%
GNMA MBS	380M	29.8%
Tax-Exempt Bonds	288M	22.6%
FNMA/FREDDIE	86.3M	6.78%
TEMS	52.7M	4.13%
CRA	21.5M	1.69%



Loan Production and Capital Sources - FY

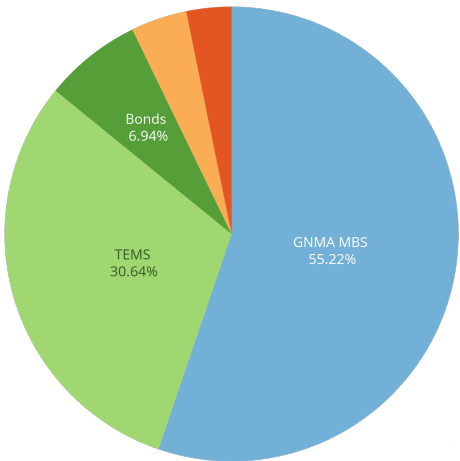
Purchased Loans FY 2023 by Program Type
1,978Total Loans

1st Home	\$327M	44.7%
Home Again	\$197M	26.9%
FHA/VA	\$169M	23.1%
HFA Advantage	\$29.3M	4%
Score	\$10.1M	1.38%



Purchased Loans FY 2023 By Capital Source
\$732,548,549Total Amount

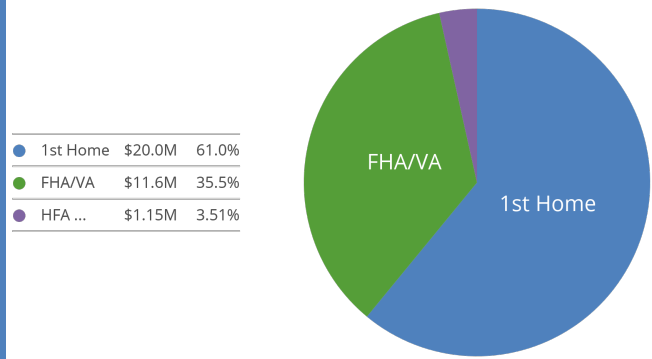
GNMA MBS	\$405M	55.2%
TEMS	\$224M	30.6%
Bonds	\$50.8M	6.94%
FNMA/FREDDIE	\$29.3M	4%
CRA	\$23.5M	3.21%



UHC Financial Analysis Dashboard - September 16th, 2024

Previous Week's Reservations

83 Total Reservations

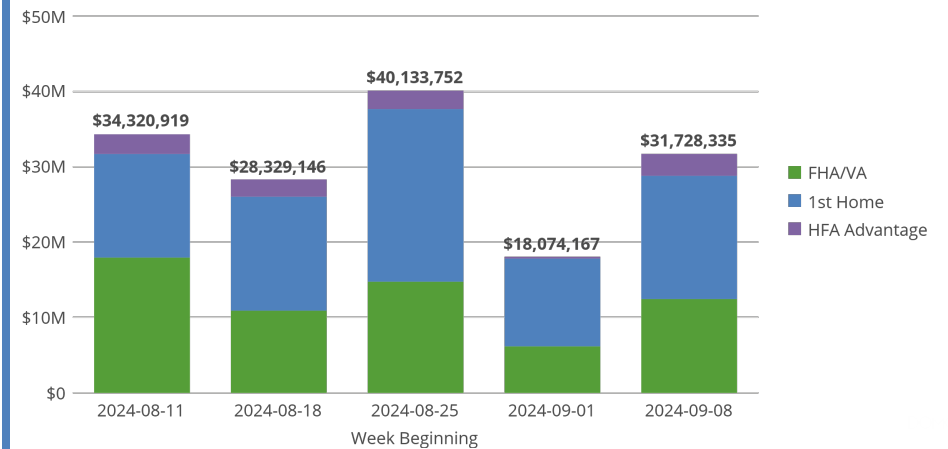


Total
\$32,749,974

Weekly Purchases

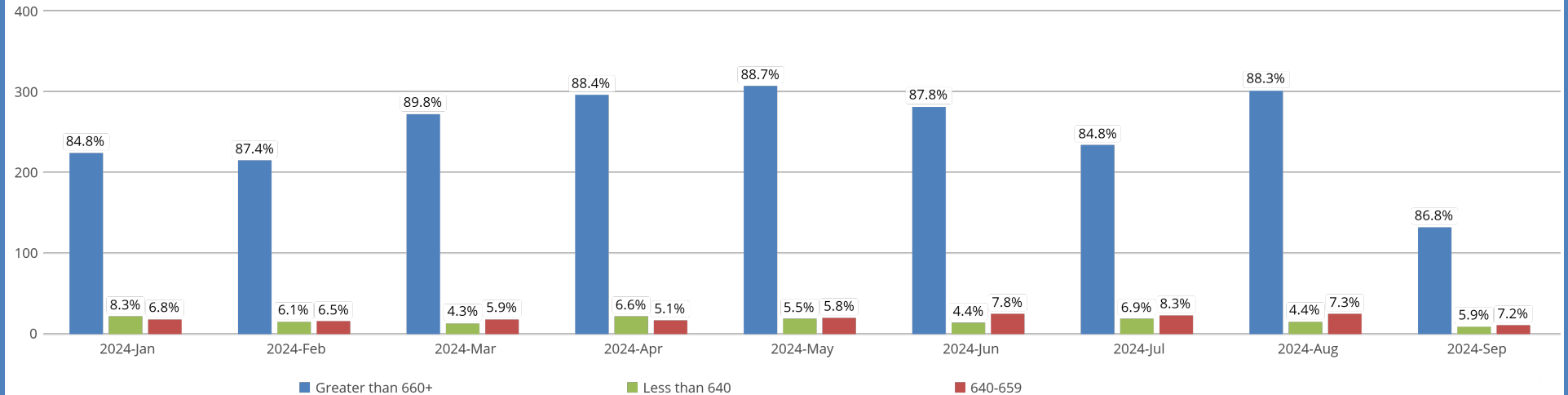
by Week

391 Total 5 Week Loan Count



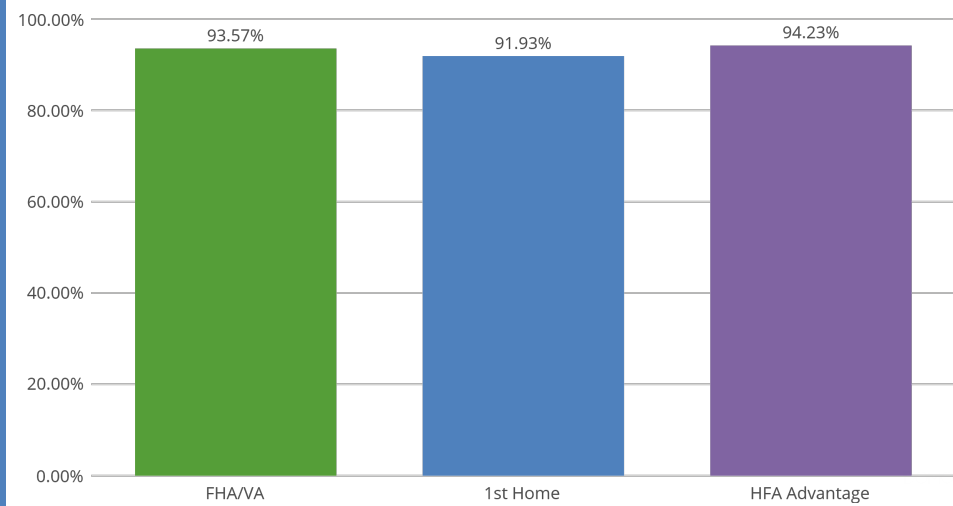
Total Loans with Credit Scores Under 660 - Percent of Monthly Loans by Credit Score - Purchased Loans

by Month

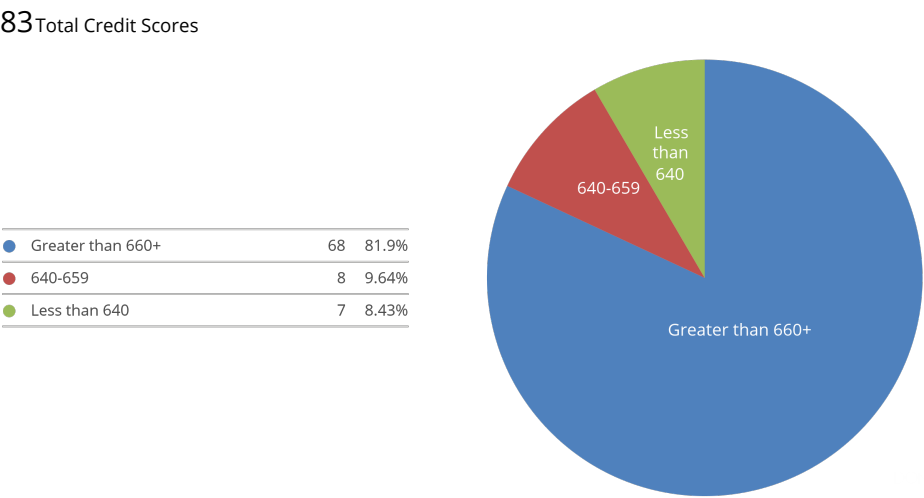


Financial Analysis Dashboard

Pull Through - Previous 60 Days

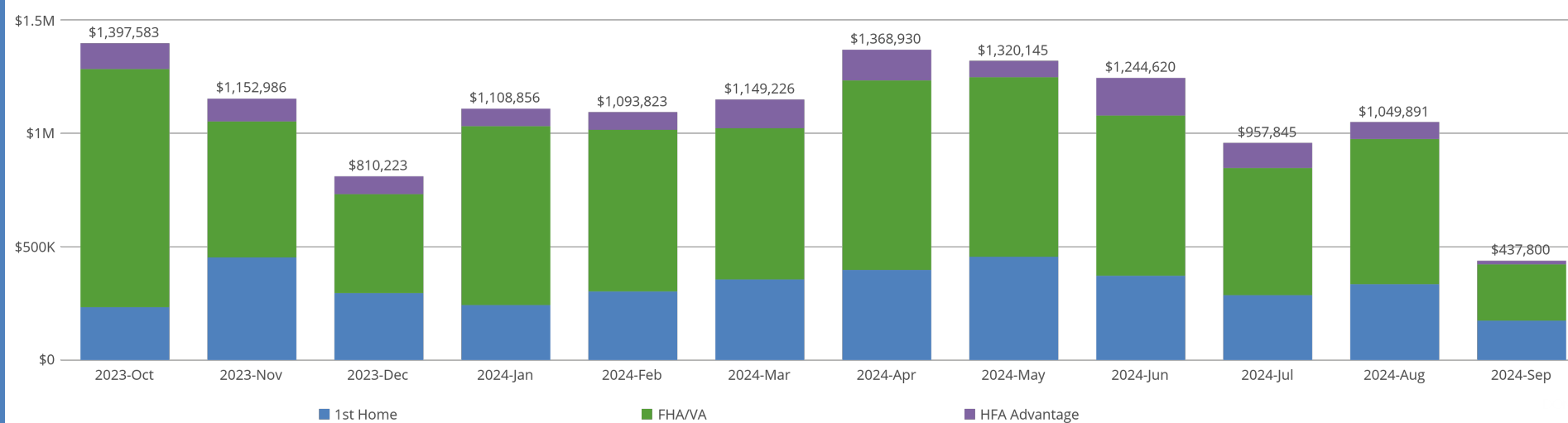


Previous Weeks Credit Scores - Reservations



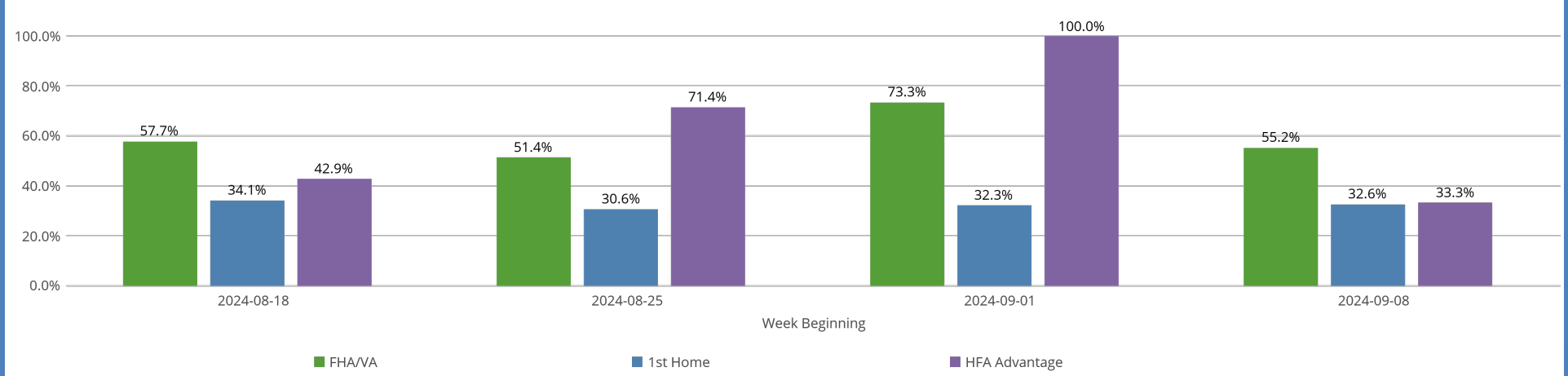
Buydown Amounts - Purchased Loans

by Month
\$13,091,927 Total Buydown Amount

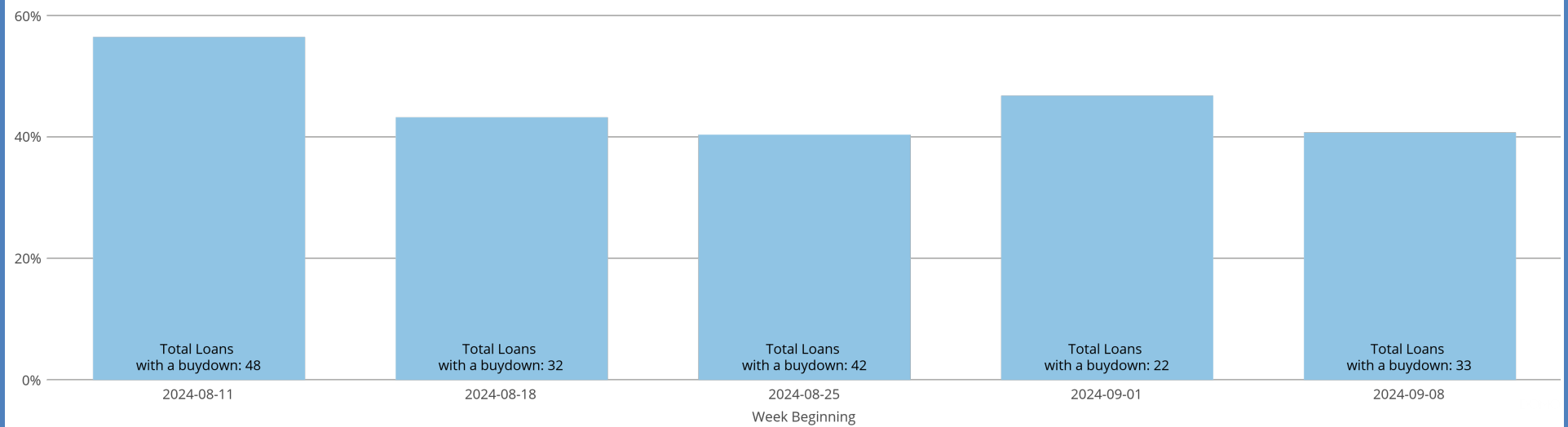


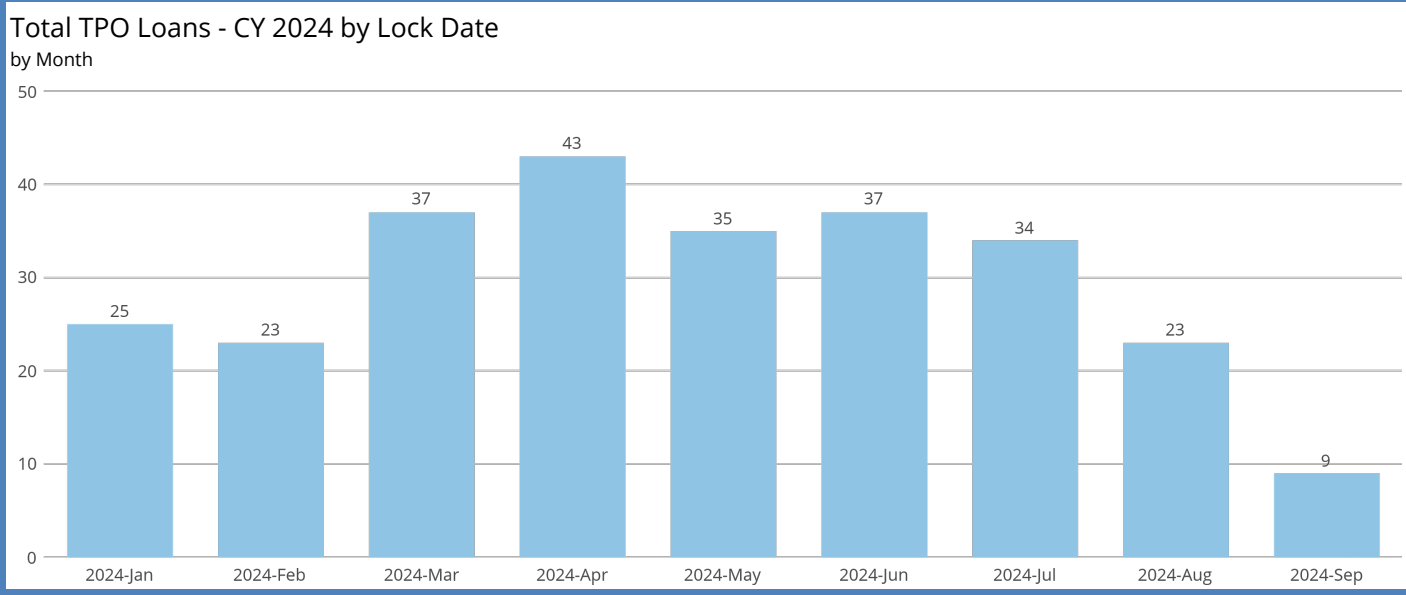
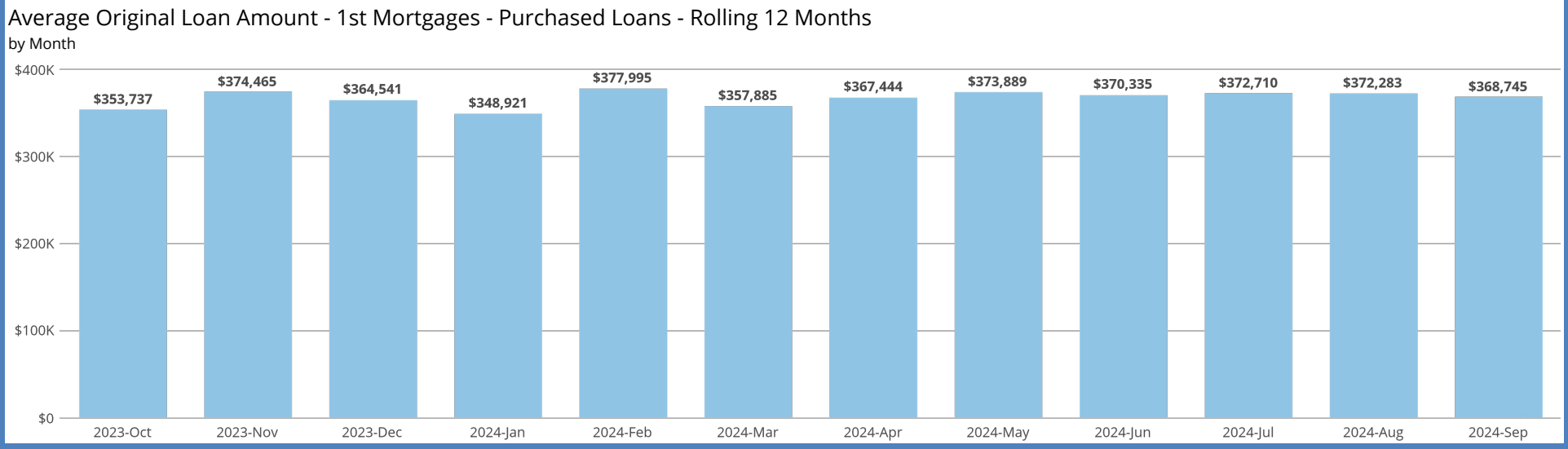
Percent of Purchased Loans with a Buydown Amount by Program

by Week
42.16% Percent of Loans with a Buydown Amount



Weekly Buydown Count - Purchased Loans





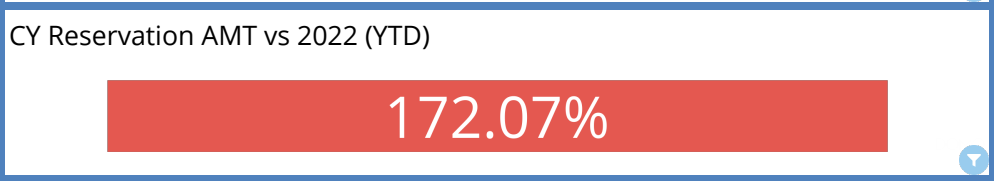
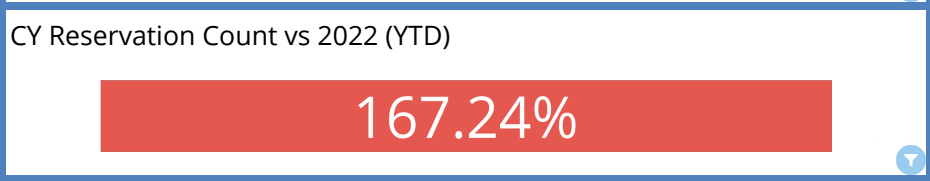
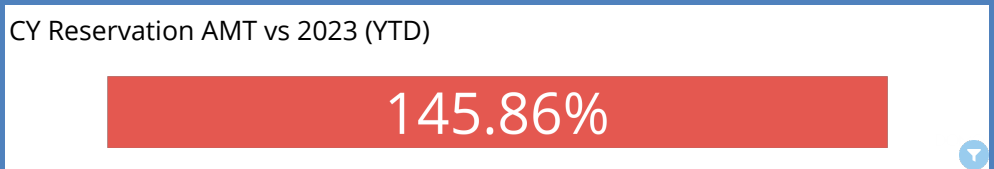
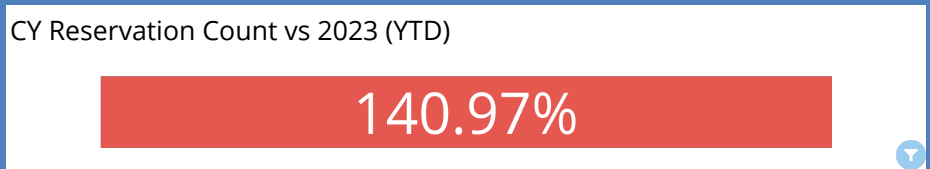
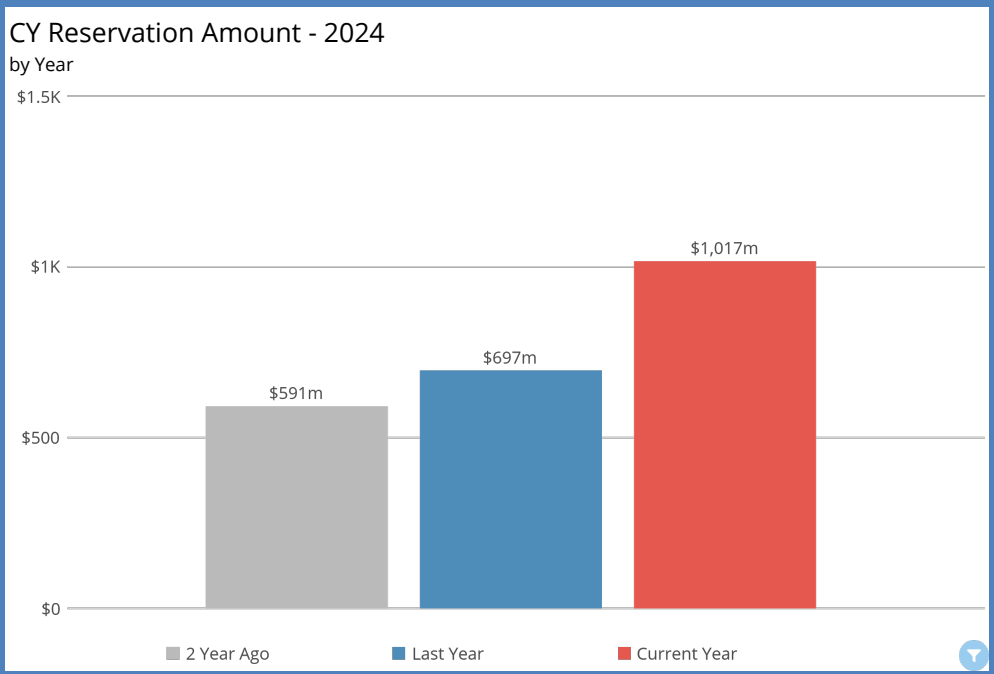
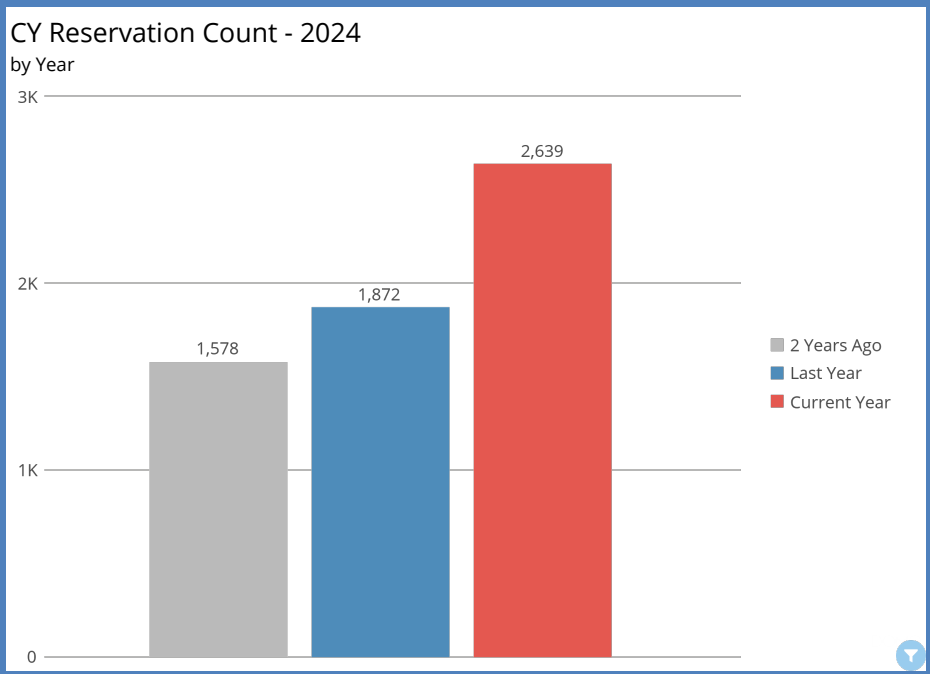
% of TPO Loans - CY 2024

6.65%

CY Filter

Minimum
01/02/24

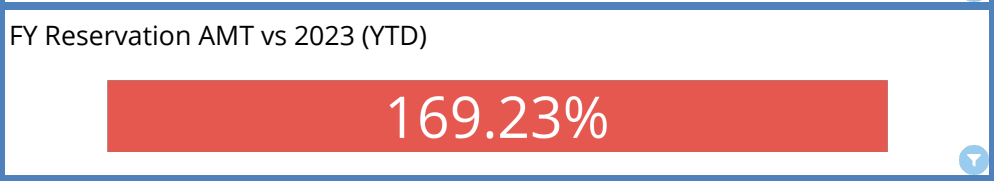
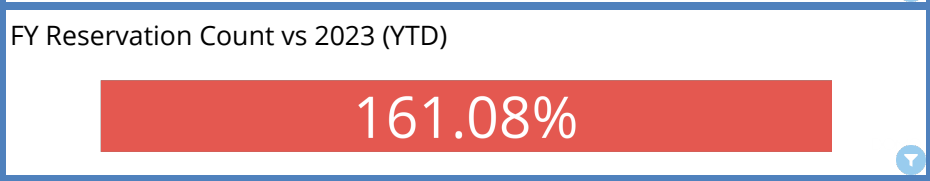
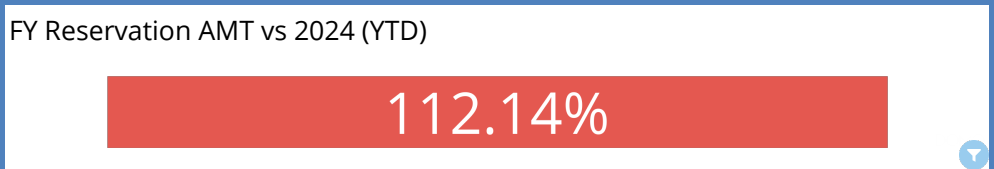
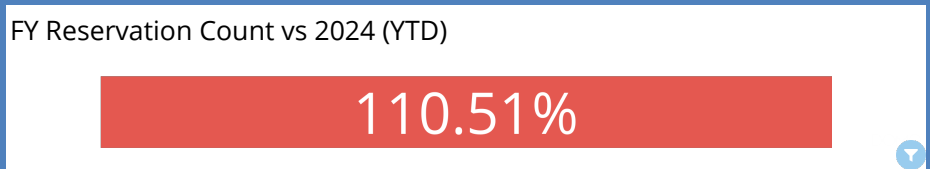
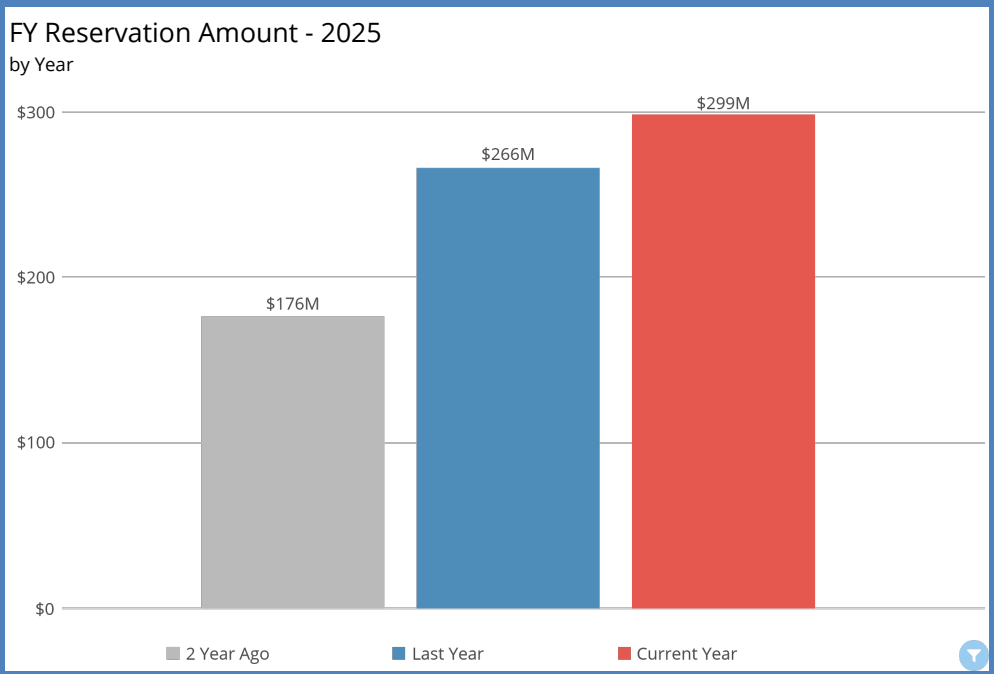
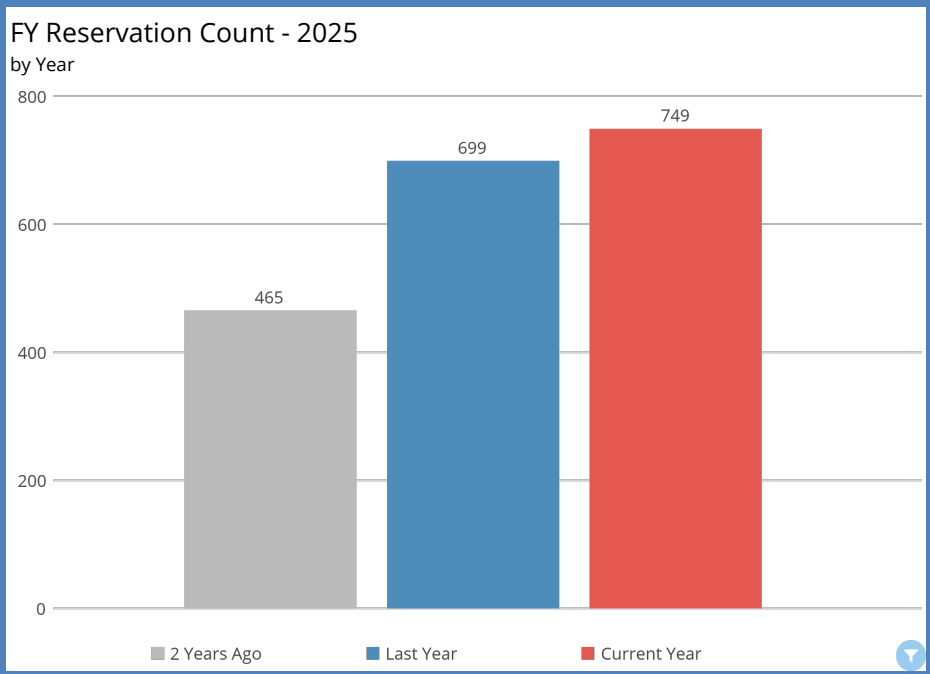
Maximum
09/14/24



FY Filter

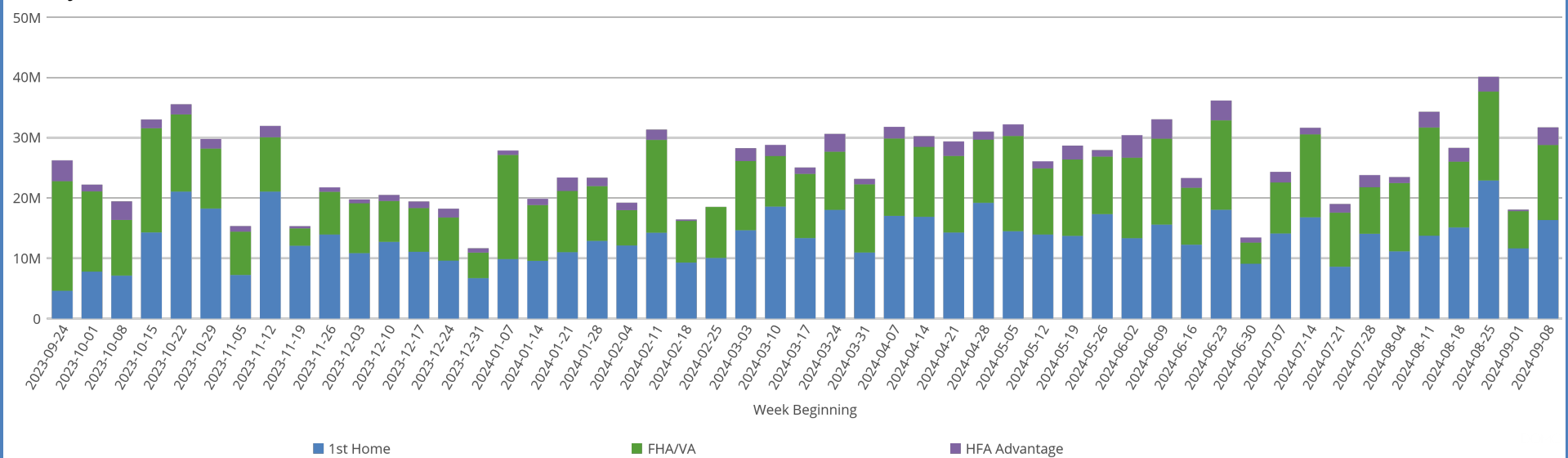
Minimum
07/01/24

Maximum
09/14/24

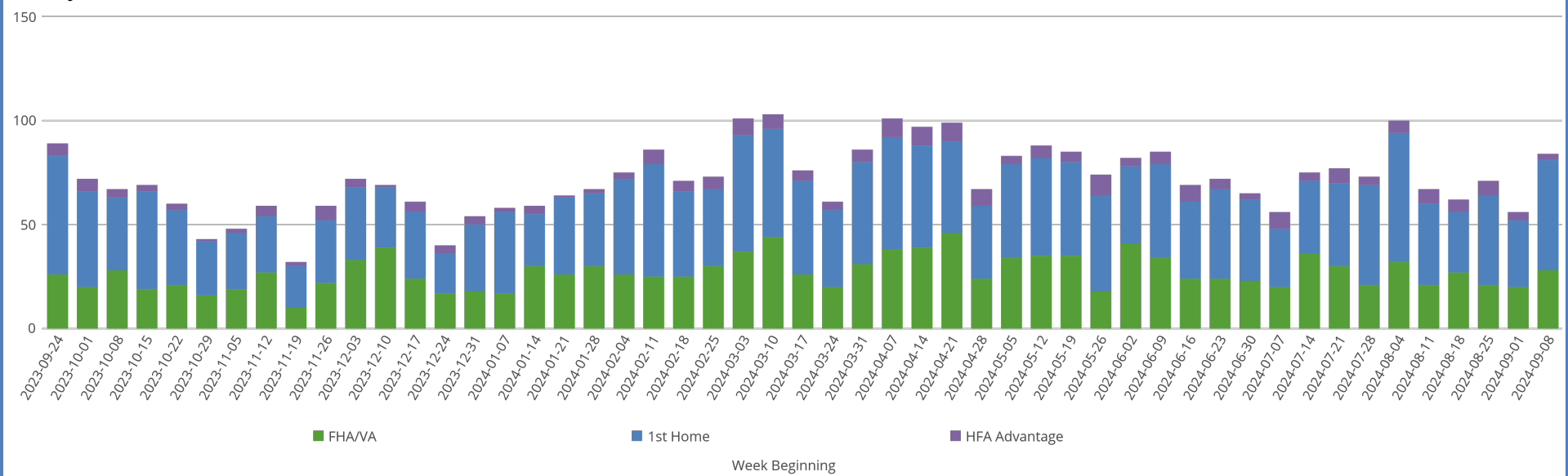


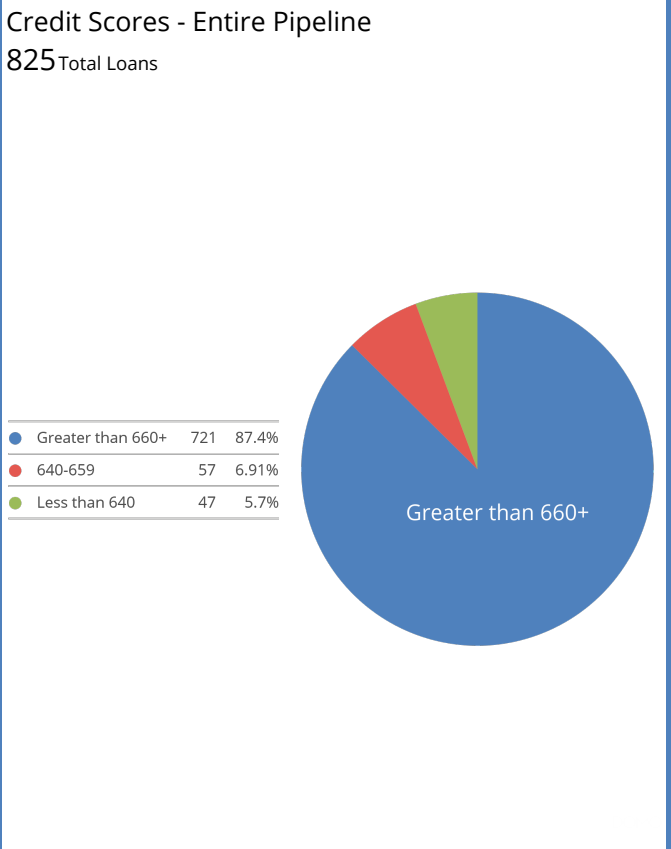
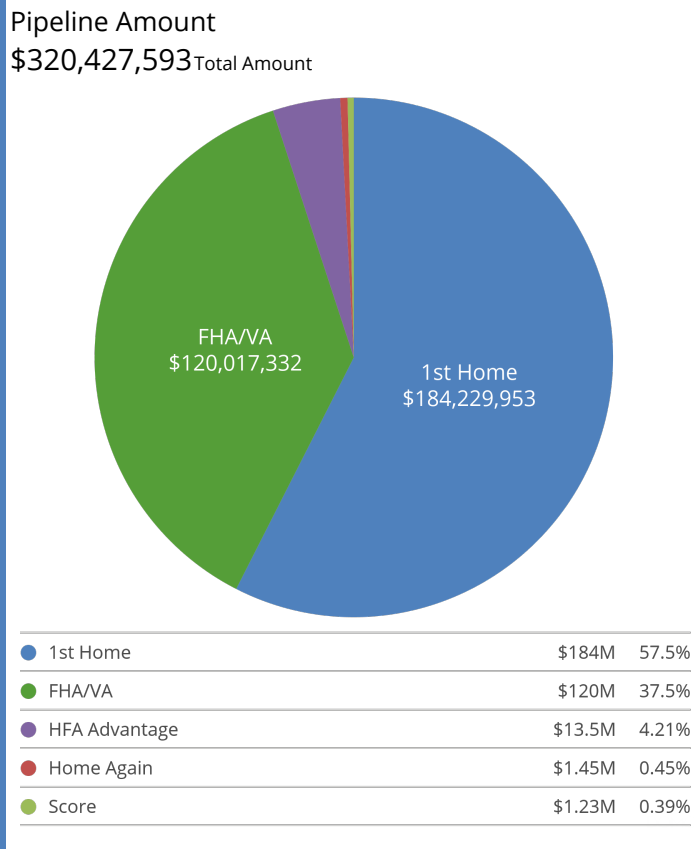
Financial Analysis Dashboard

Weekly Purchases

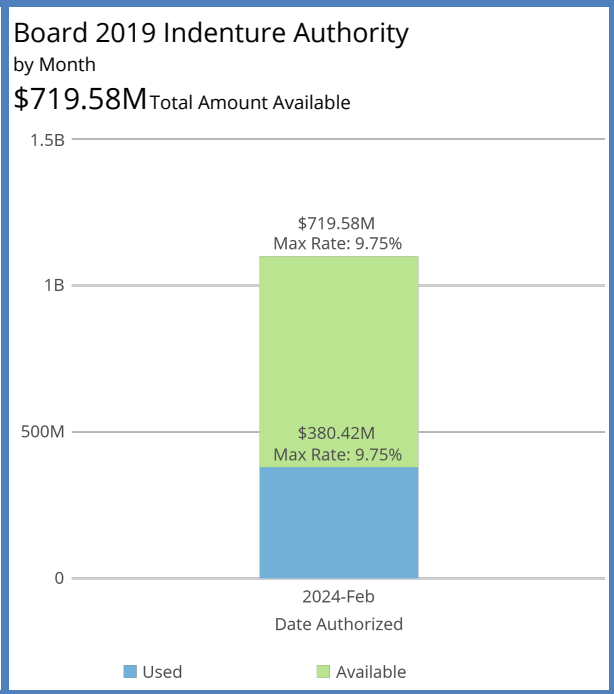
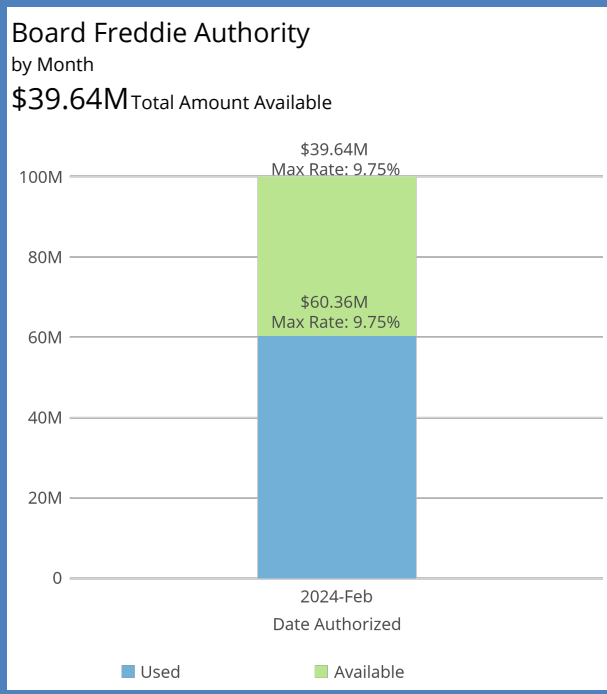
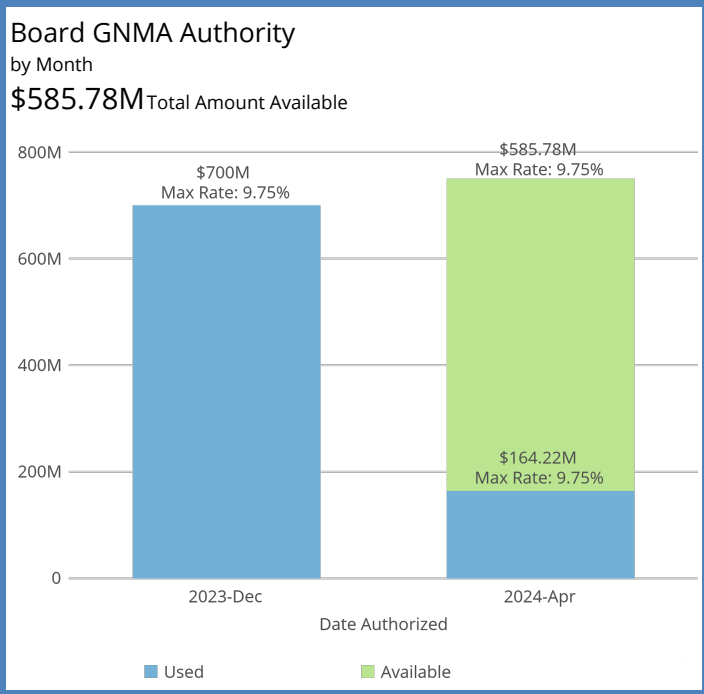
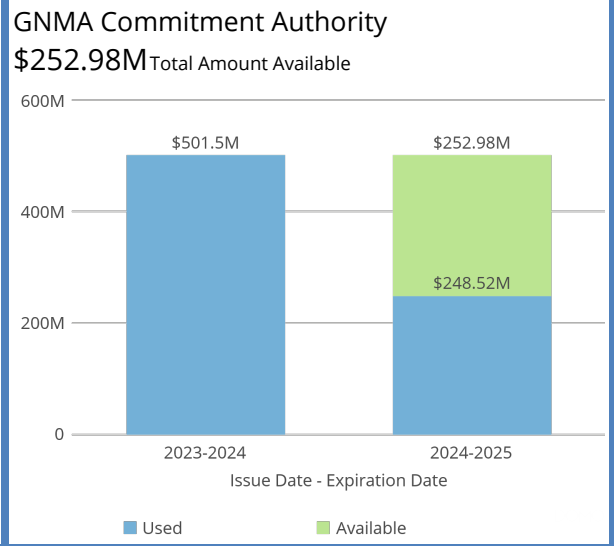
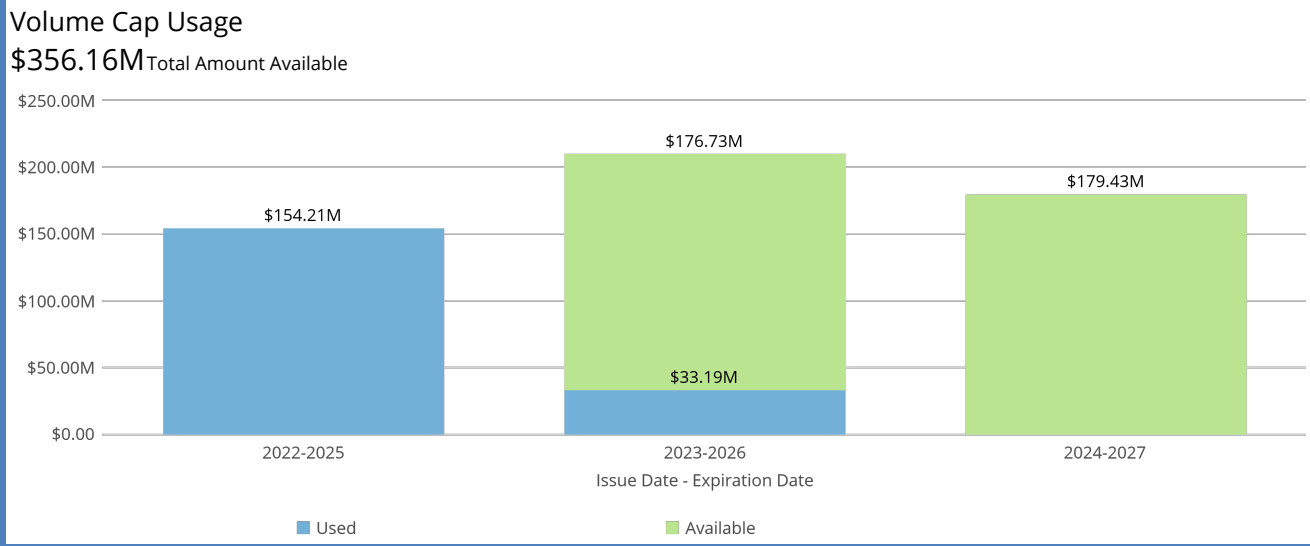


Weekly Reservations

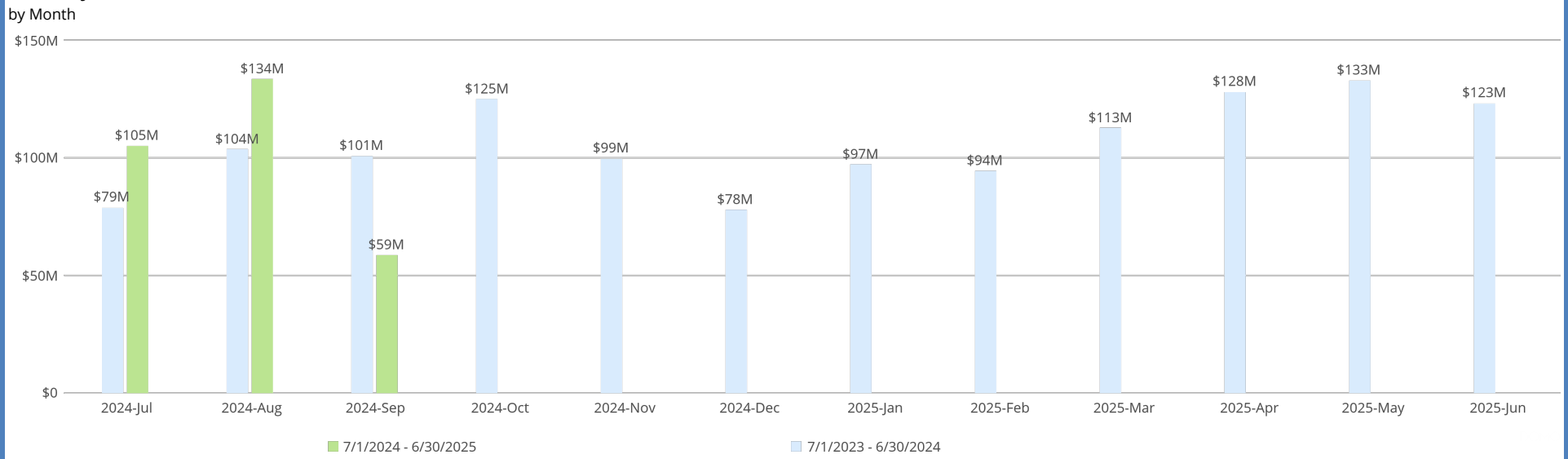




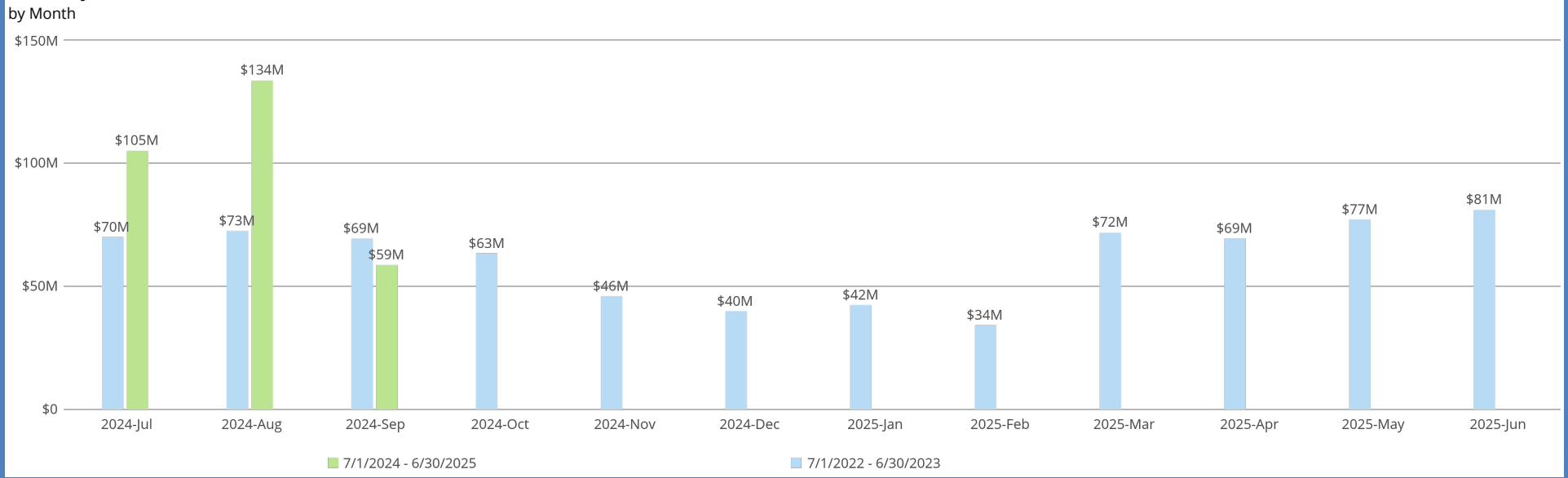
Financial Analysis Dashboard



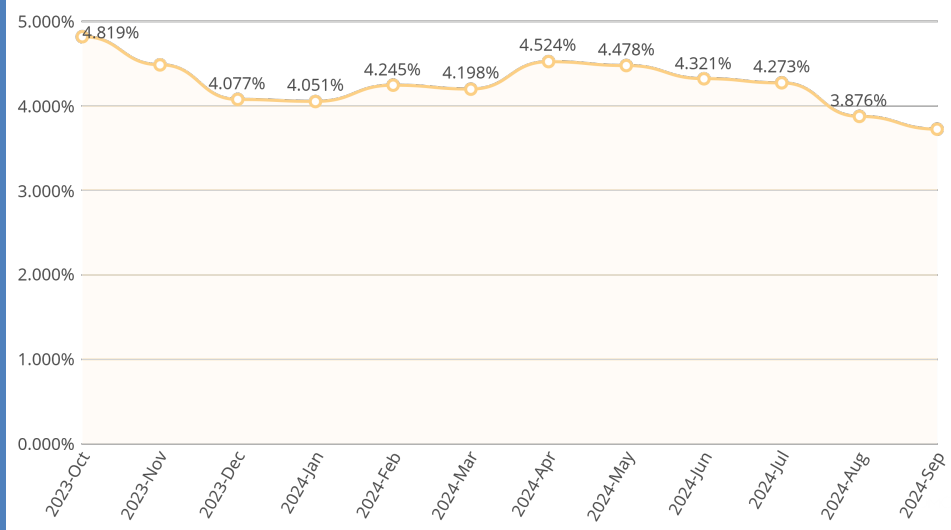
Monthly Purchases - FY 2024 vs FY 2025



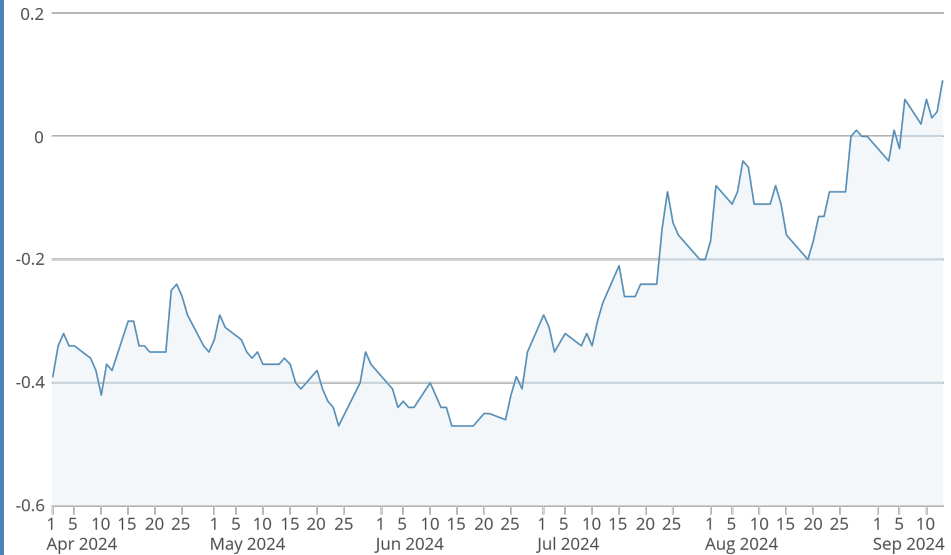
Monthly Purchases - FY 2023 vs FY 2025



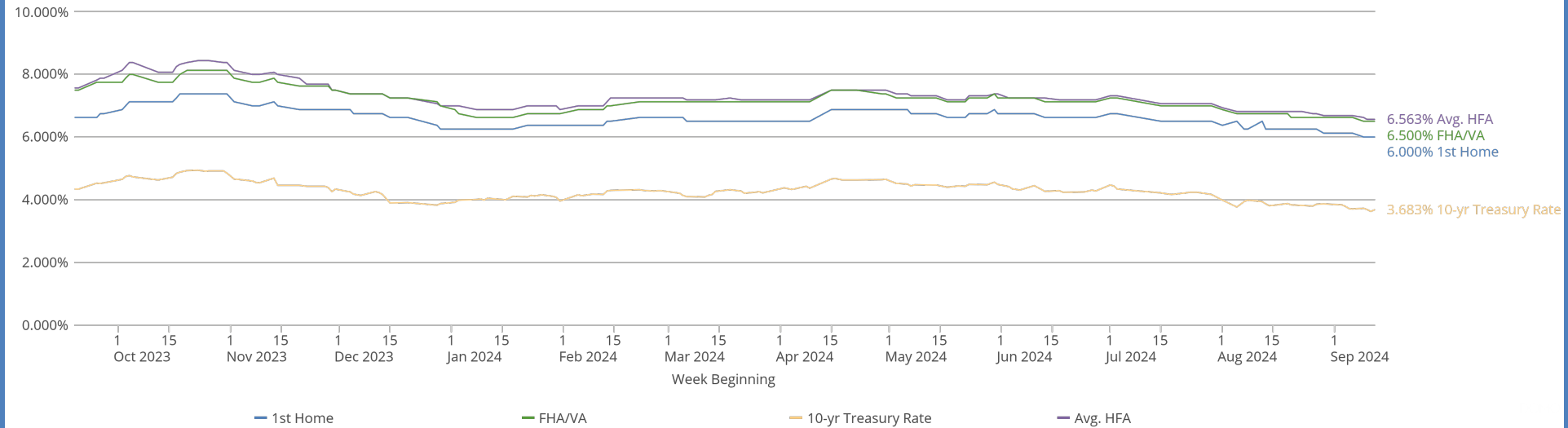
Average 10 Year Treasury Rate
by Month



10 Year vs. 2 Year Spread



Rate Tracker
by Day



Utah Housing Corporation
BALANCE SHEET
As of August 31, 2024

	Operating Fund	Mortgage Servicing	Single Family	Housing Development	August 31, 2024	06/30/2024		
	Actual	Actual	Actual	Actual	Total	Total	Difference	%
Assets								
Cash and Cash Equivalents	(10,824,955)	18,491,995	137,543,751	3,494,392	148,705,184	148,474,253	230,930	0.16 %
Encumbered Cash	-	47,781,240	-	33,801,115	81,582,354	67,304,470	14,277,885	21.21 %
Trustee Investments	-	-	2,156,889,468	-	2,156,889,468	1,902,044,834	254,844,633	13.40 %
Mortgage Loans Available for Sale	-	-	147,905,589	-	147,905,589	160,530,067	(12,624,477)	(7.86) %
Mortgage Loans Held for Investment	2,004,395	702,286	388,467,915	18,439,801	409,614,398	407,660,778	1,953,620	0.48 %
Second Mortgages	-	-	213,294,765	-	213,294,764	207,581,544	5,713,220	2.75 %
Accounts Receivable	6,352,198	1,810,444	-	25,000	8,187,641	3,387,183	4,800,459	141.72 %
Notes Receivable	-	-	-	6,993,520	6,993,521	7,276,863	(283,343)	(3.89) %
Mortgage Servicing Rights	-	36,073,257	-	-	36,073,257	34,702,447	1,370,810	3.95 %
Interest Receivable- Mortgages	9,931	-	3,714,285	300,330	4,024,545	4,147,784	(123,238)	(2.97) %
Interest Receivable- Investments	-	-	8,091,380	-	8,091,380	7,190,617	900,763	12.53 %
Net Pension Asset	-	-	-	-	-	-	-	-
Deferred Outflows of Resources	3,050,959	-	298,263	-	3,349,222	3,090,341	258,881	8.38 %
Capital Assets	6,692,610	-	-	-	6,692,610	6,765,710	(73,101)	(1.08) %
Other Assets	1,012,744	(22,508)	1,668	(142,531)	849,373	628,973	220,399	35.04 %
Total Assets	8,297,882	104,836,714	3,056,207,084	62,911,627	3,232,253,306	2,960,785,864	271,467,441	9.17 %
Liabilities and Net Position								
Liabilities								
Notes Payable	2,004,395	-	63,789,605	323,541	66,117,541	67,431,351	(1,313,810)	(1.95) %
Bonds Payable	-	-	1,655,274,492	-	1,655,274,492	1,583,512,428	71,762,064	4.53 %
Bonds Payable- General Obligation	-	-	27,060,000	-	27,060,000	27,665,000	(605,000)	(2.19) %
Bonds Payable- Taxable	-	-	810,177,000	-	810,177,000	672,581,000	137,596,000	20.46 %
Bonds Payable- Variable	-	-	-	-	-	-	-	-
Warehouse Line of Credit Payable	-	-	-	-	-	-	-	-
Derivative Instrument	-	-	298,263	-	298,263	39,382	258,881	657.36 %
Accrued Interest Payable	10,743	-	13,401,095	-	13,411,838	22,026,576	(8,614,738)	(39.11) %
Escrow Payable	-	47,781,240	-	-	47,781,240	36,977,213	10,804,027	29.22 %
Other Payable	4,239,917	443,315	34,397,523	2,162,333	41,243,088	31,686,687	9,556,401	30.16 %
Net Pension Liability	4,402,495	-	-	-	4,402,495	4,402,495	-	-
Deferred Inflow or Resources	70,288	-	-	-	70,288	70,288	-	-
Unearned Income	3,076	-	-	-	3,076	5,575	(2,500)	(44.84) %
Inter-Company Payable (Receivable)	(46,275,583)	56,007,104	(9,731,522)	-	-	-	-	-
Total Liabilities	(35,544,669)	104,231,659	2,594,666,456	2,485,874	2,665,839,321	2,446,397,995	219,441,325	8.97 %
Net Position	43,842,551	605,055	461,552,445	60,425,753	566,425,802	514,399,686	52,026,116	10.11 %
Total Liabilities and Net Position	8,297,882	104,836,714	3,056,218,901	62,911,627	3,232,265,123	2,960,797,681	271,467,441	9.17 %

Statements are unaudited and without opinion

Utah Housing Corporation
STATEMENT OF REVENUE AND EXPENSES
As of August 31, 2024

	Operating Fund	Mortgage Servicing	Single Family	Housing Development	August 31, 2024	August 31, 2023	August 31, 2024		
	Actual	Actual	Actual	Actual	Total	Total	Forecasted	Forecast Difference	%
Net Income									
Operating Revenue									
Interest Income- Mortgages	18,351	-	6,957,263	104,932	7,080,546	5,656,785	5,970,000	1,110,546	18.60 %
Interest Income- Investments	270,353	111,398	16,540,917	232	16,922,900	8,889,885	17,581,500	(658,600)	(3.75) %
Service Fees	-	3,250,496	-	-	3,250,496	2,506,394	2,616,667	633,830	24.22 %
Late Fees	27,487	212,350	-	-	239,838	208,579	191,666	48,170	25.13 %
Fee Income	291,659	24,195	-	558,848	874,702	1,624,099	963,667	(88,964)	(9.23) %
Gain on Sale of Loans	-	-	2,423,186	-	2,423,186	3,943,979	2,113,500	309,686	14.65 %
Other	139	4,978	-	21,486	26,603	4,629	7,167	19,436	271.20 %
Total Operating Revenue	607,989	3,603,417	25,921,366	685,498	30,818,271	22,834,350	29,444,167	1,374,104	4.67 %
Expenditures									
Interest Expense	15,568	-	16,073,860	271	16,089,698	7,928,497	14,127,000	1,962,699	13.89 %
Servicing Rights Amortization	-	2,105,264	-	-	2,105,264	-	2,470,834	(365,570)	(14.80) %
Mortgage Servicing Fees	-	-	383,543	-	383,544	336,600	333,333	50,210	15.06 %
Salaries and Benefits	2,203,573	615,035	-	-	2,818,609	2,418,693	3,043,000	(224,391)	(7.37) %
General and Administrative	788,220	278,062	48,983	13,563	1,128,826	934,946	1,252,333	(123,506)	(9.86) %
Capital Acquisitions	89,090	-	-	-	89,090	167,981	187,667	(98,577)	(52.53) %
Servicing Losses	-	2	-	-	2	-	1,667	(1,665)	(99.91) %
Perpetual Program Costs	2,500	-	1,507,652	620,990	2,131,142	187,774	1,639,666	491,475	29.97 %
Loan Loss Reserve/Bad Debt	-	-	297,888	-	297,889	177,770	142,167	155,722	109.53 %
Total Expenditures	3,098,951	2,998,363	18,311,926	634,824	25,044,064	12,152,261	23,197,667	1,846,397	7.96 %
Total Net Income Before FMV Adjustment	(2,490,962)	605,054	7,609,440	50,674	5,774,207	10,682,089	6,246,500	(472,293)	(7.56) %
Fair Market Value Adjustment	-	-	46,252,293	-	46,252,292	(13,409,751)	-	46,252,293	-
Total Net Income Before Transfers	(2,490,962)	605,054	53,861,733	50,674	52,026,499	(2,727,662)	6,246,500	45,780,000	732.89 %
Transfers	151,459	-	(150,944)	(131)	384	-	-	383	(1,915,700.00) %
Total Net Income	(2,642,421)	605,054	54,012,677	50,805	52,026,116	(2,727,662)	6,246,500	45,779,616	732.88 %

Statements are unaudited and without opinion

Utah Housing Corporation
General and Administrative Budget
As of August 31, 2024

	Year Ending 06/30/2025	Month Ending 08/31/2024			Year To Date 08/31/2024		
	Annual Budget	Monthly Budget	Actual	Monthly Variance	Year to Date	% of Budget	Budget Variance
Expenses							
Salaries and Benefits	14,201,000	1,183,417	915,456	267,961	2,203,573	15.52 %	11,997,427
Administrative							
Professional Development	441,000	36,750	16,703	20,047	35,215	7.99 %	405,785
Office and Administrative	780,000	65,000	63,678	1,321	130,492	16.73 %	649,508
Program Development	89,000	7,416	25,654	(18,237)	26,587	29.87 %	62,413
Building/Systems and Equipment	1,900,000	158,334	144,773	13,561	273,641	14.40 %	1,626,359
Board of Trustees	61,000	5,083	1,620	3,463	9,240	15.15 %	51,760
Communication and Promotion	311,000	25,917	7,829	18,088	10,632	3.42 %	300,368
Professional Services	1,355,000	112,916	94,123	18,793	284,976	21.03 %	1,070,024
Total Administrative	4,937,000	411,416	354,380	57,036	770,783	15.61 %	4,166,217
Capital Acquisitions	530,000	44,167	7,280	36,887	15,989	3.02 %	514,011
Total Expenses	19,668,000	1,639,000	1,277,116	361,884	2,990,345	15.20 %	16,677,655

Utah Housing Corporation
Mortgage Servicing Budget
As of August 31, 2024

	Year Ending 06/30/2025	Month Ending 08/31/2024			Year To Date 08/31/2024		
	Annual Budget	Monthly Budget	Actual	Monthly Variance	Year to Date	% of Budget	Budget Variance
Expenses							
Salaries and Benefits	4,057,000	338,083	242,745	95,338	615,036	15.16 %	3,441,964
Administrative							
Professional Development	48,000	4,000	368	3,632	2,265	4.72 %	45,735
Office and Administrative	9,000	750	1,440	(689)	2,329	25.89 %	6,671
Program Development	6,000	500	1,200	(700)	1,760	29.33 %	4,240
Building/Systems and Equipment	1,097,000	91,417	76,409	15,007	157,555	14.36 %	939,445
Professional Services	638,000	53,167	42,234	10,932	78,203	12.26 %	559,797
MBS Pool Interest Expense	350,000	29,166	17,295	11,872	19,260	5.50 %	330,740
Other	120,000	10,000	10,386	(386)	16,689	13.91 %	103,311
Total Administrative	2,268,000	189,000	149,332	39,668	278,061	12.26 %	1,989,939
Capital Acquisitions	90,000	7,500	0	7,500	0	0.00 %	90,000
Servicing Losses	10,000	834	2	832	2	0.02 %	9,998
Servicing Rights Amortization	14,825,000	1,235,416	1,052,632	182,784	2,105,264	14.20 %	12,719,736
Total Expenses	21,250,000	1,770,833	1,444,711	326,122	2,998,363	14.11 %	18,251,637

M E M O R A N D U M

To: UHC Trustees
From: Jonathan A. Hanks, COO
Date: September 24, 2024
Subject: Operating Report

SF Mortgage Activity Report (through 8/31/2024)

- FY '25 loan purchases ▲ YOY 31% (\$) and 26% (#)
- August purchases ▲ YOY 29% (\$) and 23% (#); 1st mortgages w/ UHC DPA ▼ YOY by 16% (from 83% to 67%)
- CY '24 purchases ▲ YOY 67% (\$) and 62% (#)
- First-time Homebuyer Assistance Program (see attached)

SF Portfolio Performance as of 8/31/2024

- 1st mortgage portfolio: 17,604 loans, \$4.83BB; 2nd mortgage (DPA) portfolio: 14,388 loans, \$218.8MM
- Delinquency statistics (month over month):
 - Total DQ ▲ 16 bps
 - 30-60 DQ ▼ 7 bps
 - 90+ day DQ ▲ 23 bps
 - Loans in foreclosure stayed level
- Loans in loss mitigation ▼ 25 bps

August 2024 Foreclosure Aging Report

# of months since origination	0-12	13-36	37-60	61 or more	TOTAL
# of loans	2	11	8	10	31

UTAH FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

Program Data as of September 19, 2024

DWELLING TYPE

Townhomes/Attached Planned Unit Development (PUD)	66%
Single Family/Detached PUD	17.3%
Condominiums	16.4%
Manufactured Homes	0.3%

TOP CITIES WITH IDENTIFIED PROPERTIES

Saratoga Springs	15%
Eagle Mountain	9%
Tooele	8%
Spanish Fork	8%
Magna	7%
All other cities	53%

TOP COUNTIES WITH IDENTIFIED PROPERTIES

Utah	40%
Salt Lake	19%
Tooele	10%
Washington	8%
Weber	4%
All other counties	19%



1,388 reservations funded, totaling
\$27,694,064



74 reservations approved & awaiting funds, totaling
\$1,480,000



\$19,952
average assistance amount



\$90,259
average annual income



\$384,919
average home purchase price



786 reservations remaining*
*includes 30 reservations awaiting approval

Program administered by:



TO LEARN MORE, CONTACT:

801-902-8200

www.utahhousingcorp.org

UTAH'S HOUSING FINANCE AGENCY



September 19, 2024

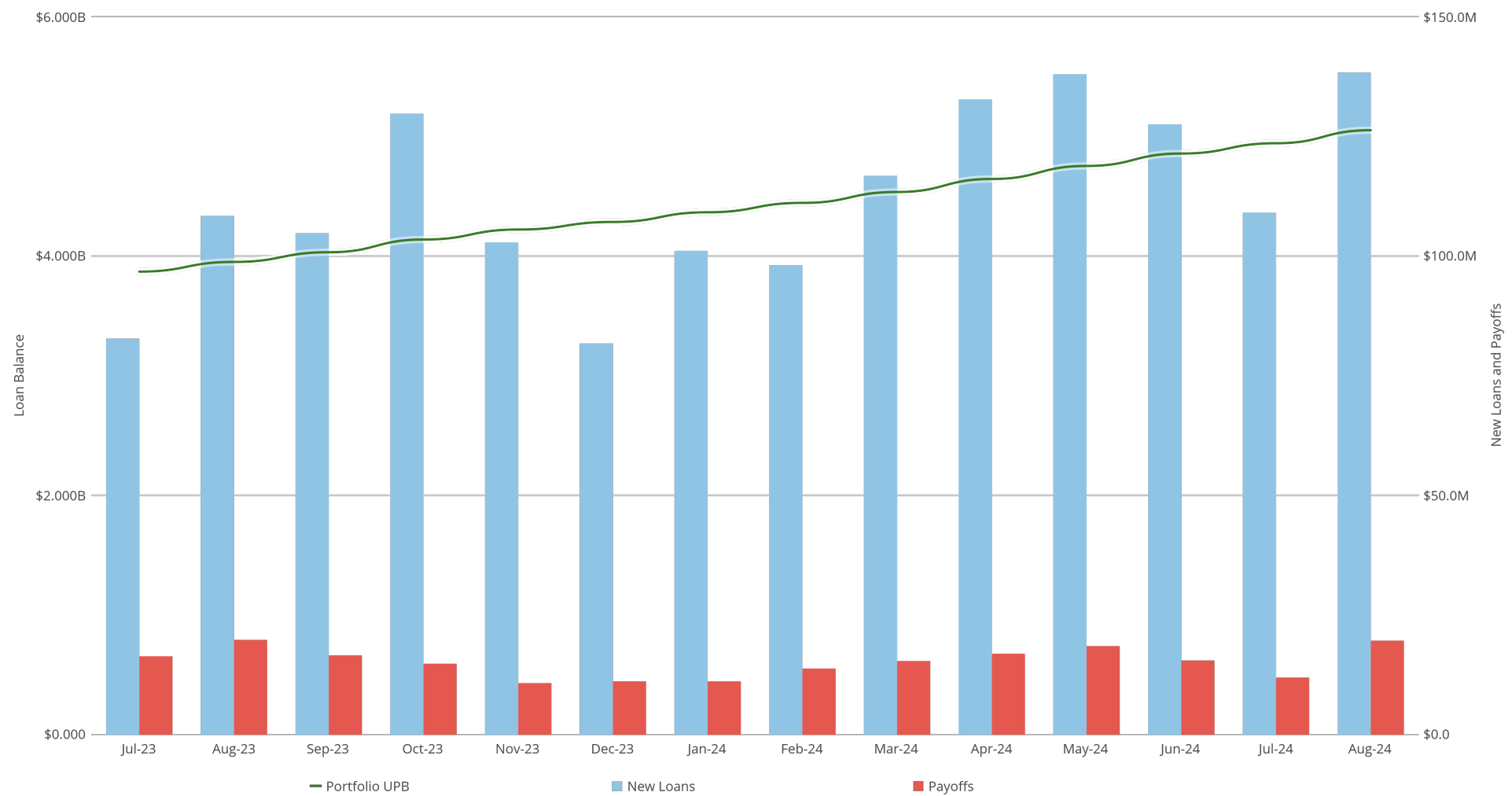
Monthly Single Family Loan Stats

Owner Damen Wilkins

Monthly Single Family Loan Stats

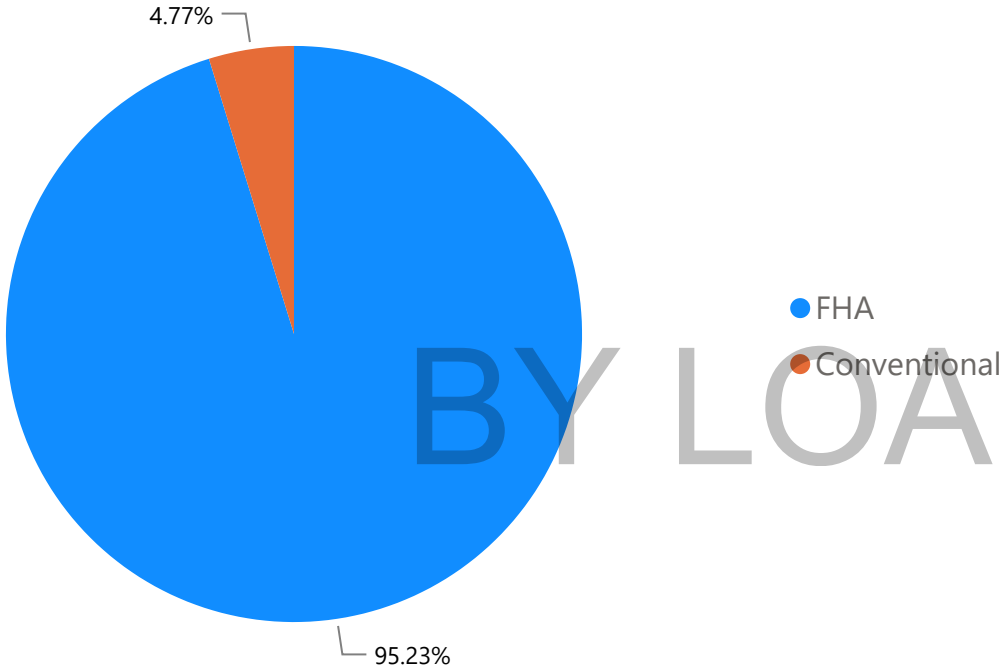
As of August 31st, 2024

Monthly Single Family Mortgage Loan Activity
by Month

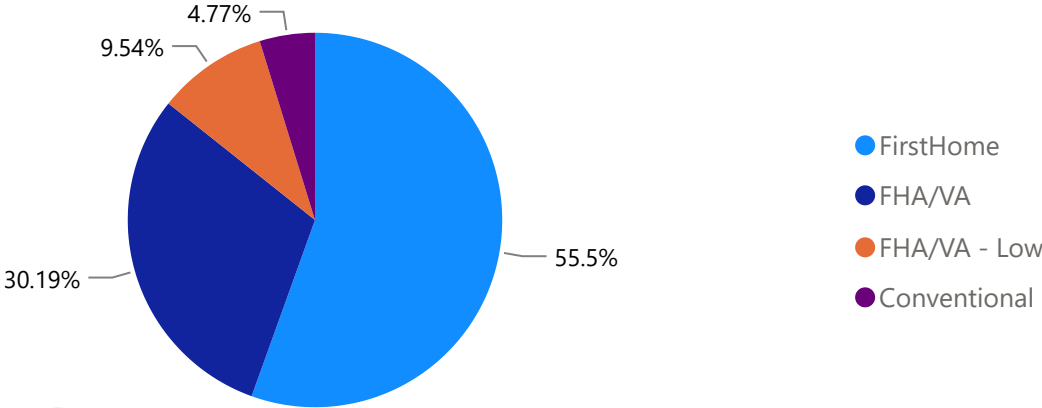


Utah Housing 1st Mortgage Portfolio Breakdown
As of 08/31/2024

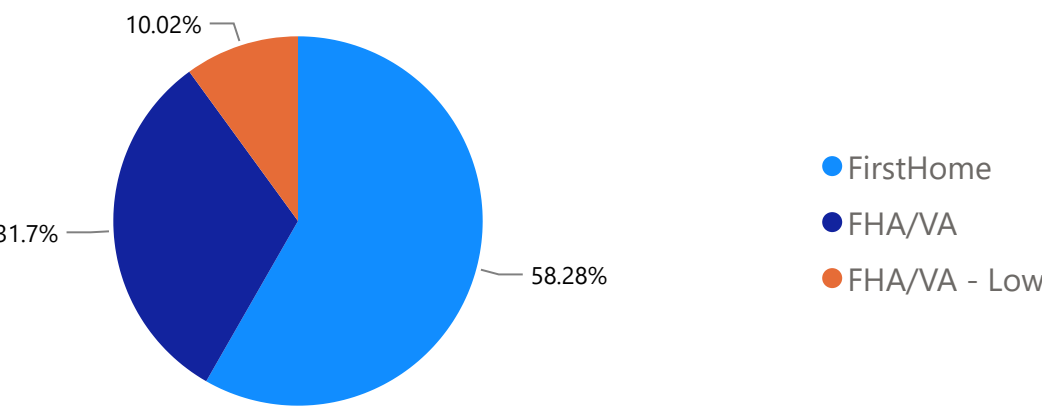
Loan Type by Count



Loan Program by Count



FHA Program by Count



Loan Program Breakdown

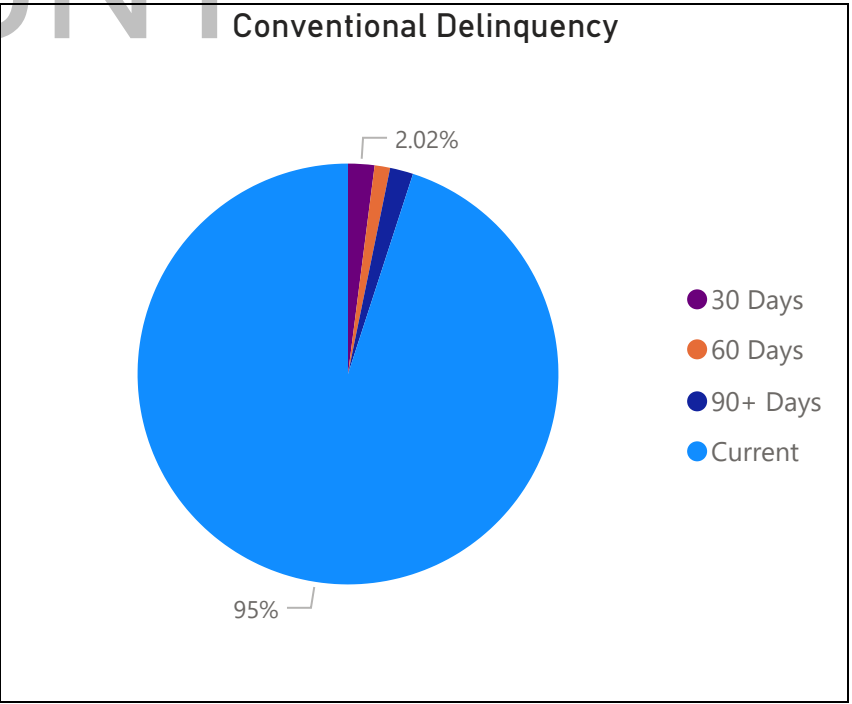
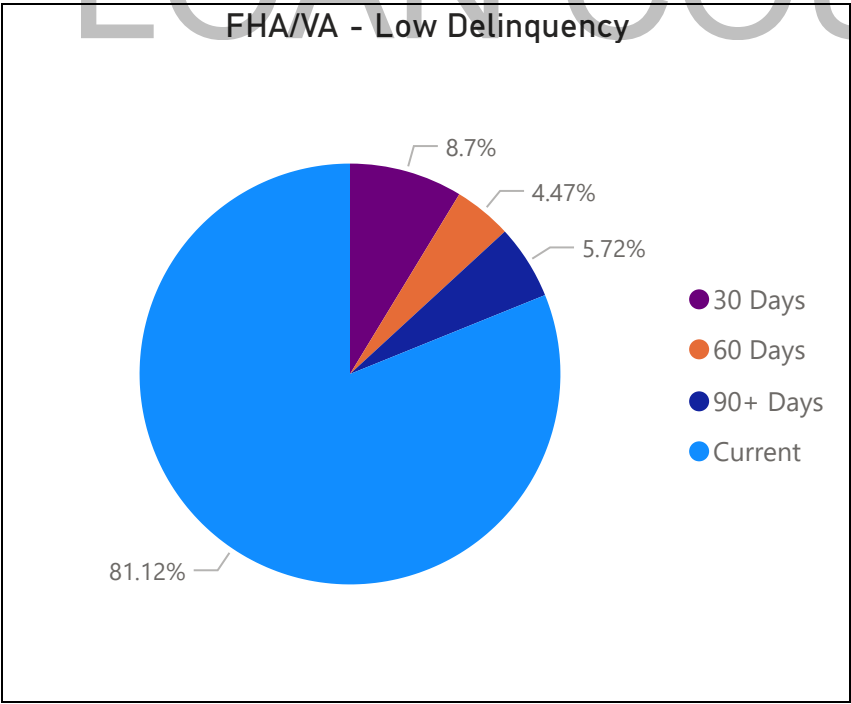
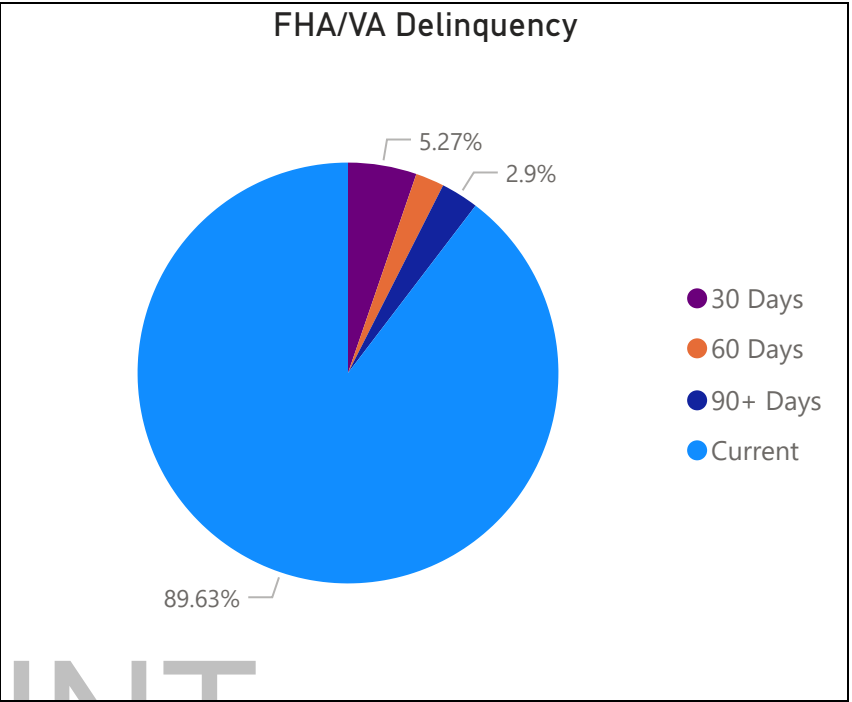
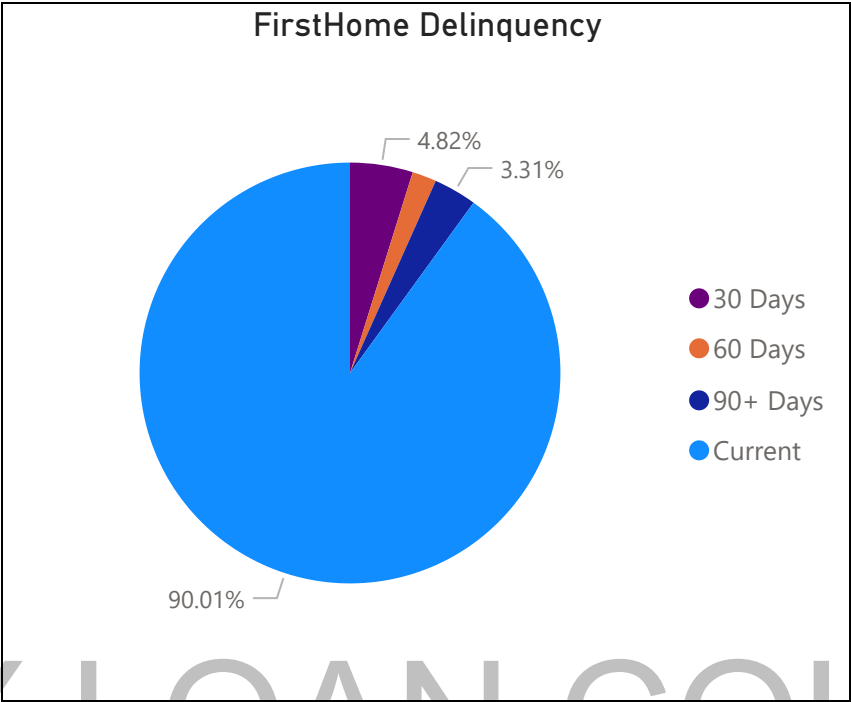
Count of Loans	
FirstHome	9770
FHA/VA	5315
FHA/VA - Low	1679
Conventional	840
Total	17604

Utah Housing 1st Mortgage Portfolio Breakdown

As of 08/31/2024

Loan Program Breakdown	Loan Count	Percent of Total
FirstHome	9770	55.50%
FHA/VA	5315	30.19%
FHA/VA - Low	1679	9.54%
Conventional	840	4.77%
Total	17604	100.00%

DLQ Levels	Loan Count	Percent of Total
30 Days	914	5.19%
60 Days	384	2.18%
90+ Days	588	3.34%
Current	15718	89.29%
Total	17604	100.00%

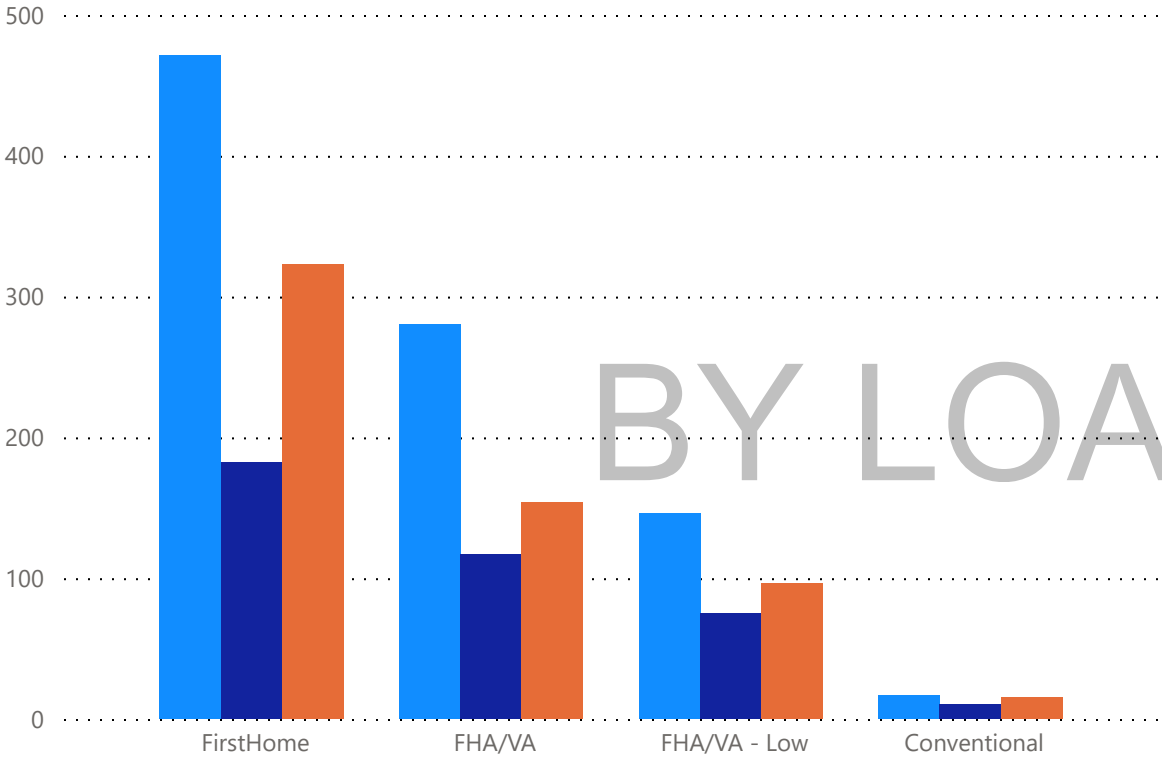


Utah Housing 1st Mortgage Portfolio Breakdown

As of 08/31/2024

Loan Program Delinquency Breakdown

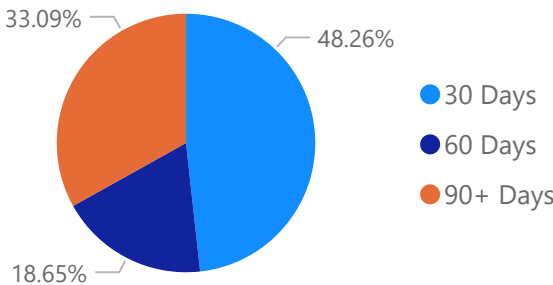
30 Days 60 Days 90+ Days



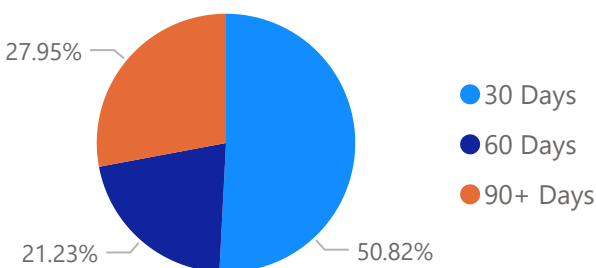
Loan Program Breakdown	Count of Loans
FirstHome	976
FHA/VA	551
FHA/VA - Low	317
Conventional	42
Total	1886

DLQ Levels	Count of Loans
30 Days	914
60 Days	384
90+ Days	588
Total	1886

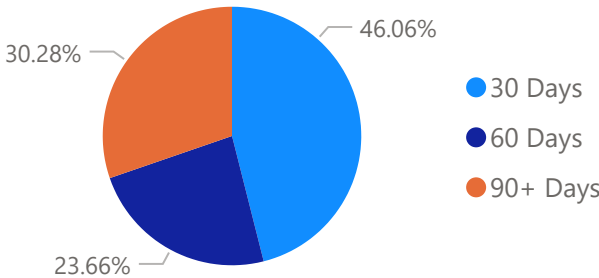
FirstHome Delinquency



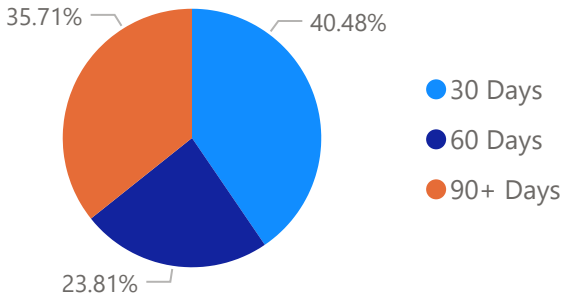
FHA/VA Delinquency



FHA/VA - Low Delinquency

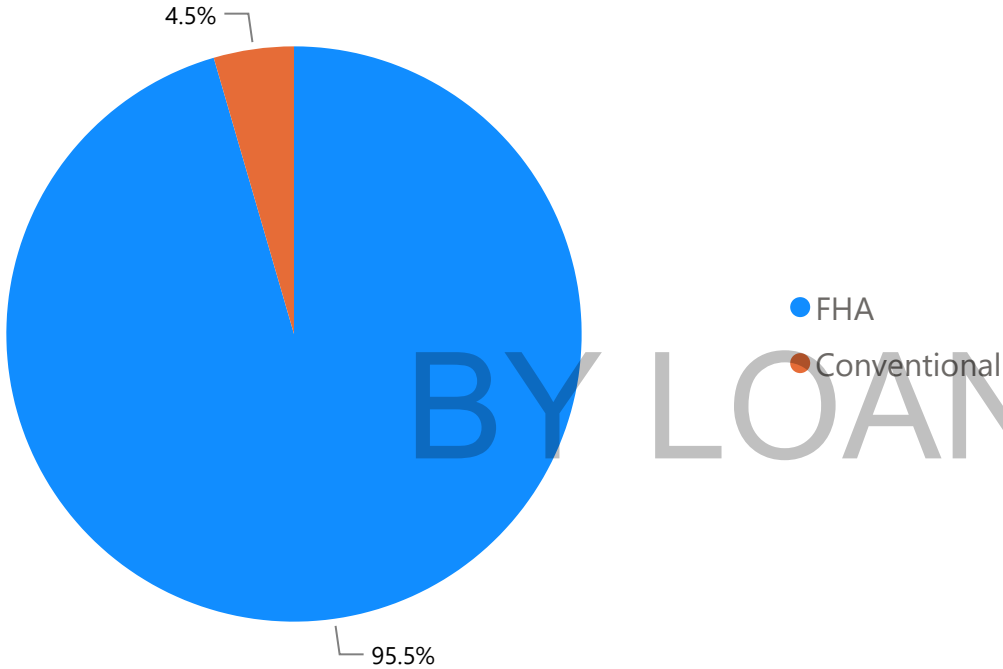


Conventional Delinquency

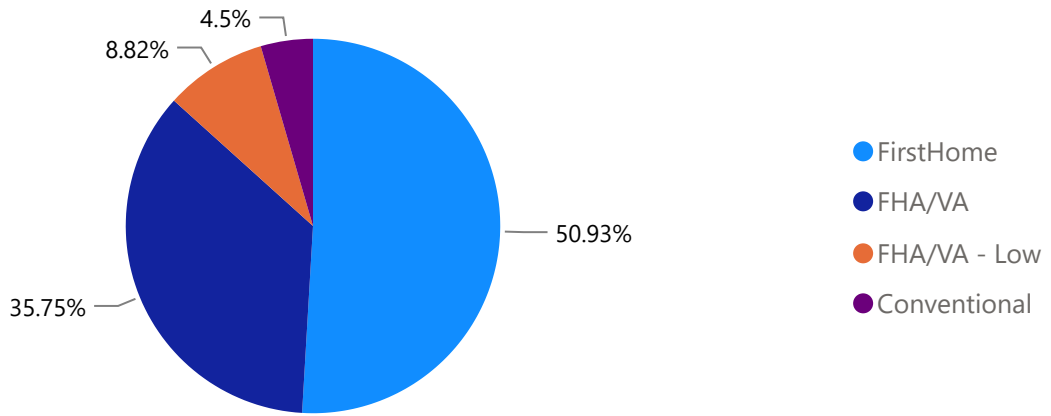


Utah Housing 1st Mortgage Portfolio Breakdown
As of 08/31/2024

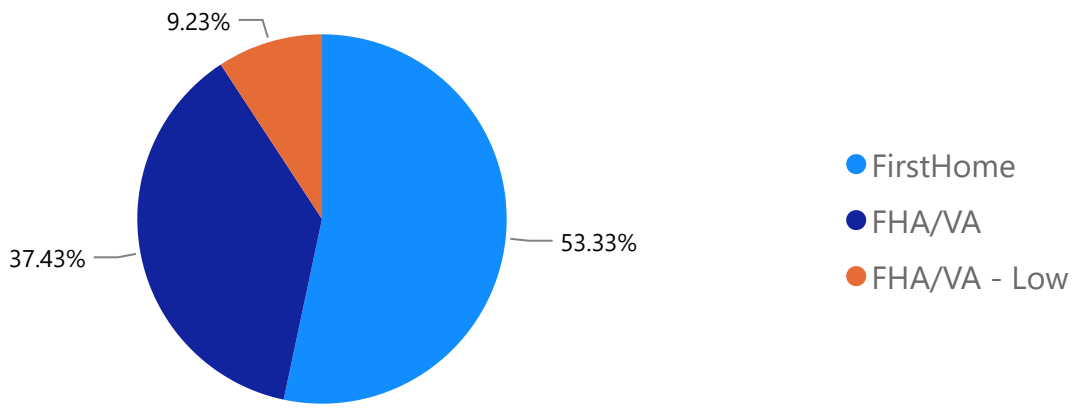
Loan Type by UPB Amount



Loan Program by UPB Amount



FHA Program by UPB Amount

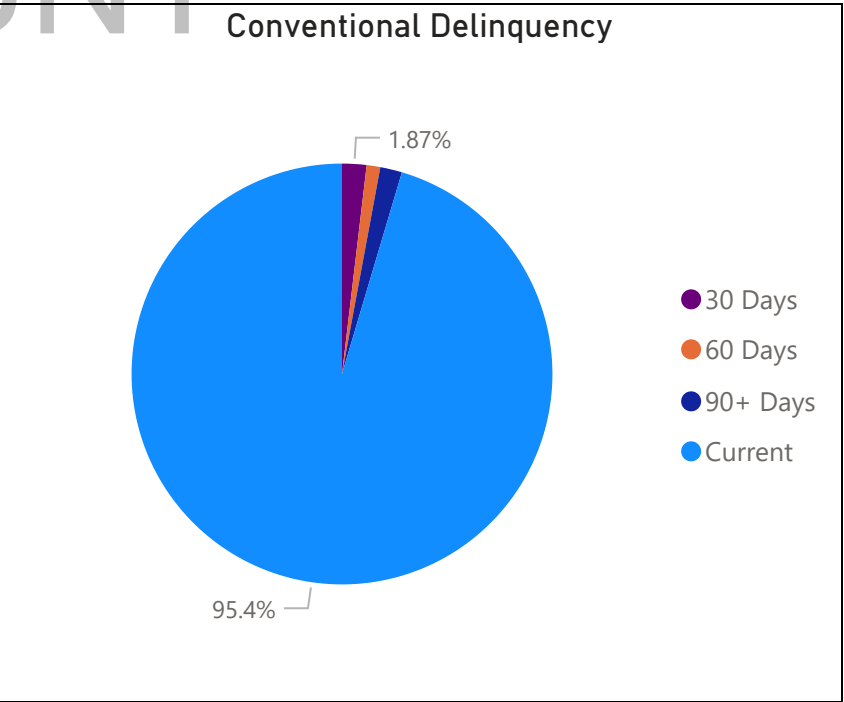
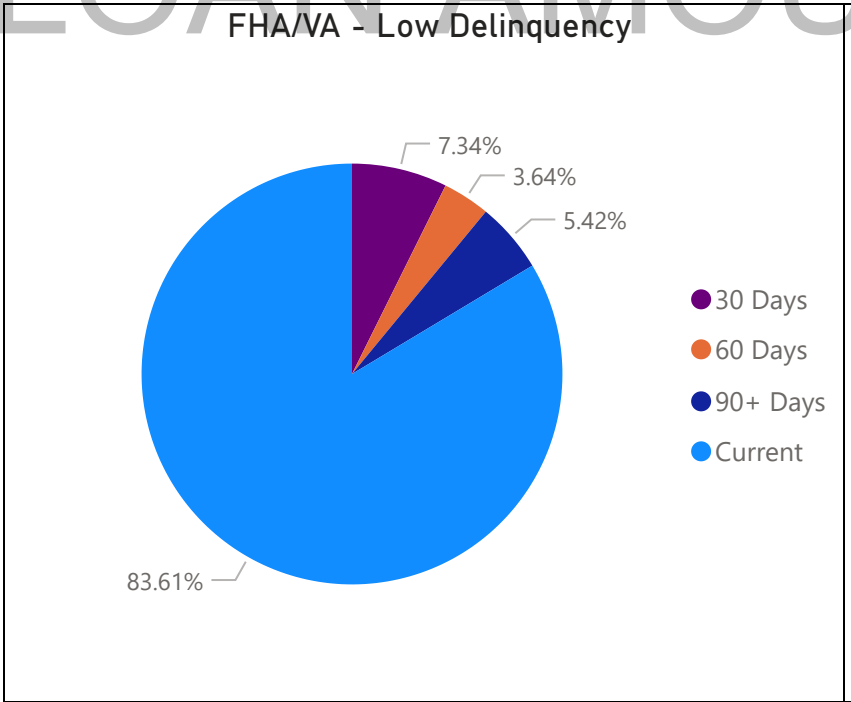
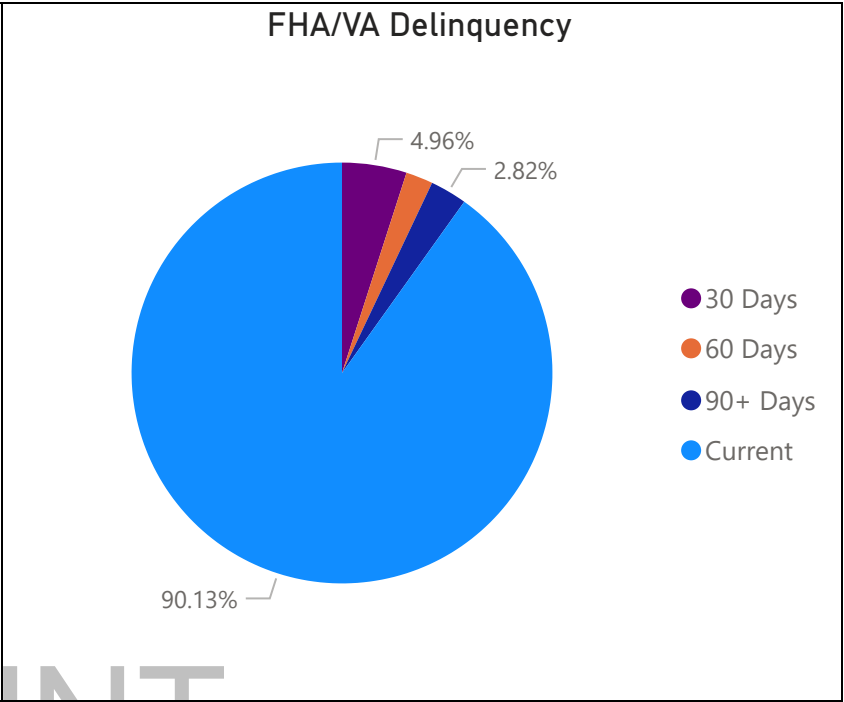
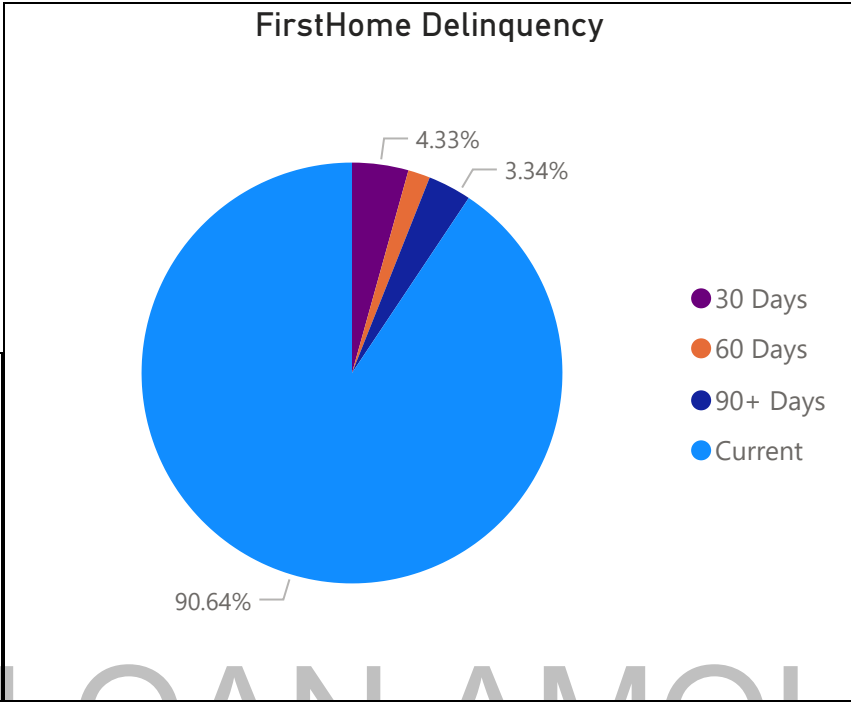


Loan Program Breakdown		UPB
FirstHome		\$2,460,172,592.94
FHA/VA		\$1,726,863,939.27
FHA/VA - Low		\$425,959,251.41
Conventional		\$217,509,044.34
Total		\$4,830,504,827.96

Utah Housing 1st Mortgage Portfolio Breakdown
As of 08/31/2024

Loan Program Breakdown	UPB	Percent of Total
FirstHome	\$2,460,172,592.94	50.93%
FHA/VA	\$1,726,863,939.27	35.75%
FHA/VA - Low	\$425,959,251.41	8.82%
Conventional	\$217,509,044.34	4.50%
Total	\$4,830,504,827.96	100.00%

DLQ Levels	UPB	Percent of Total
Current	\$4,349,920,162.43	90.05%
30 Days	\$227,402,652.73	4.71%
90+ Days	\$157,654,320.68	3.26%
60 Days	\$95,527,692.12	1.98%
Total	\$4,830,504,827.96	100.00%

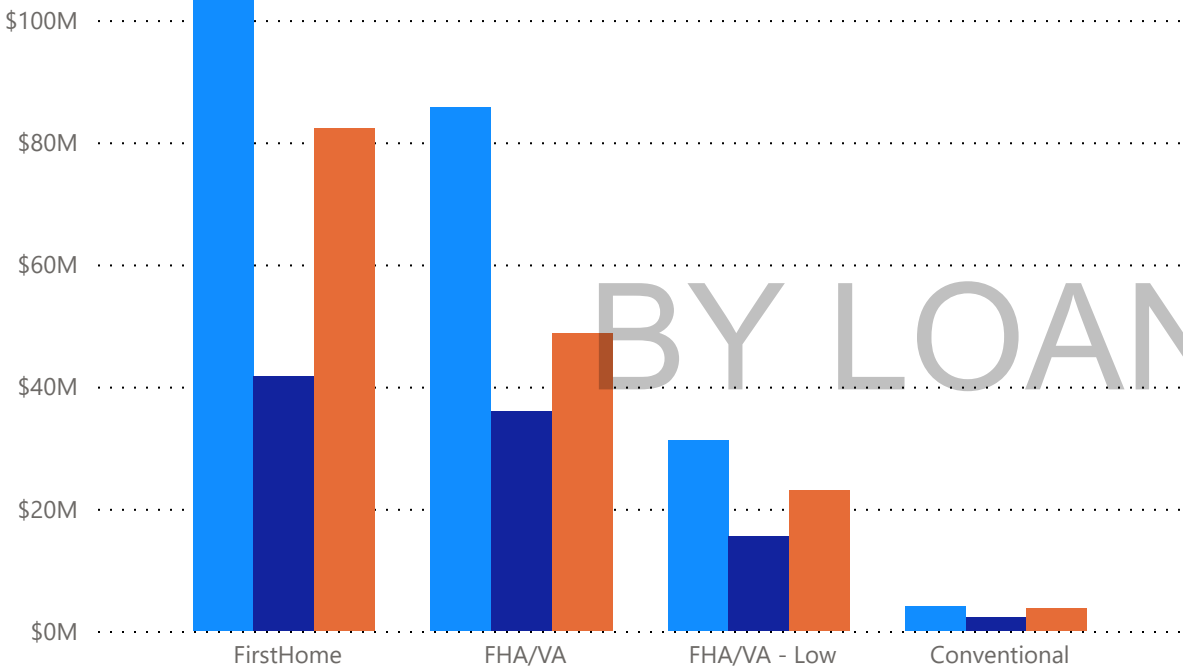


Utah Housing 1st Mortgage Portfolio Breakdown

As of 08/31/2024

Loan Program Delinquency Breakdown

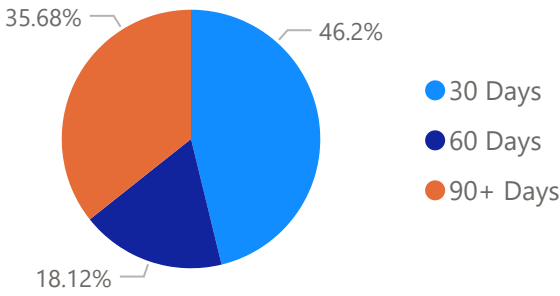
30 Days 60 Days 90+ Days



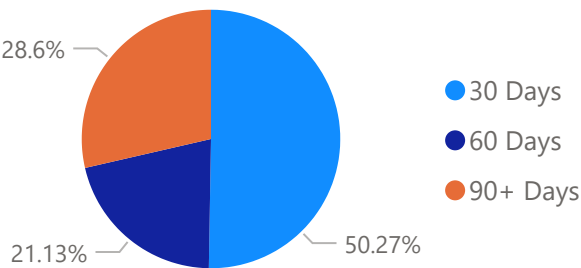
Loan Program Breakdown	UPB
FirstHome	\$230,368,909.24
FHA/VA	\$170,408,248.13
FHA/VA - Low	\$69,808,931.47
Conventional	\$9,998,576.69
Total	\$480,584,665.53

DLQ Levels	UPB
30 Days	\$227,402,652.73
60 Days	\$95,527,692.12
90+ Days	\$157,654,320.68
Total	\$480,584,665.53

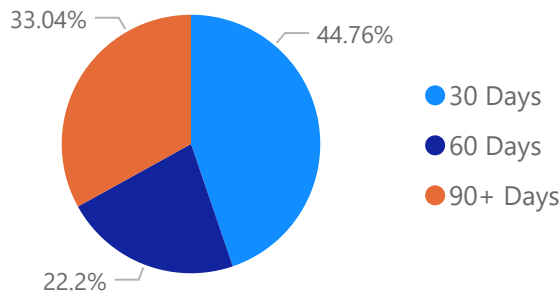
FirstHome Delinquency



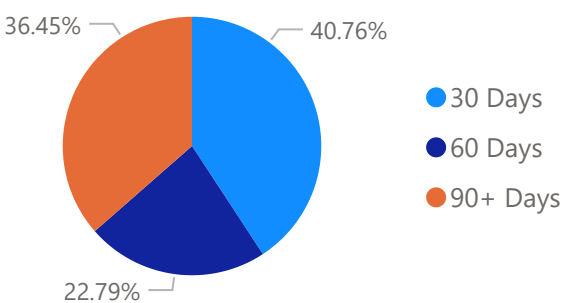
FHA/VA Delinquency



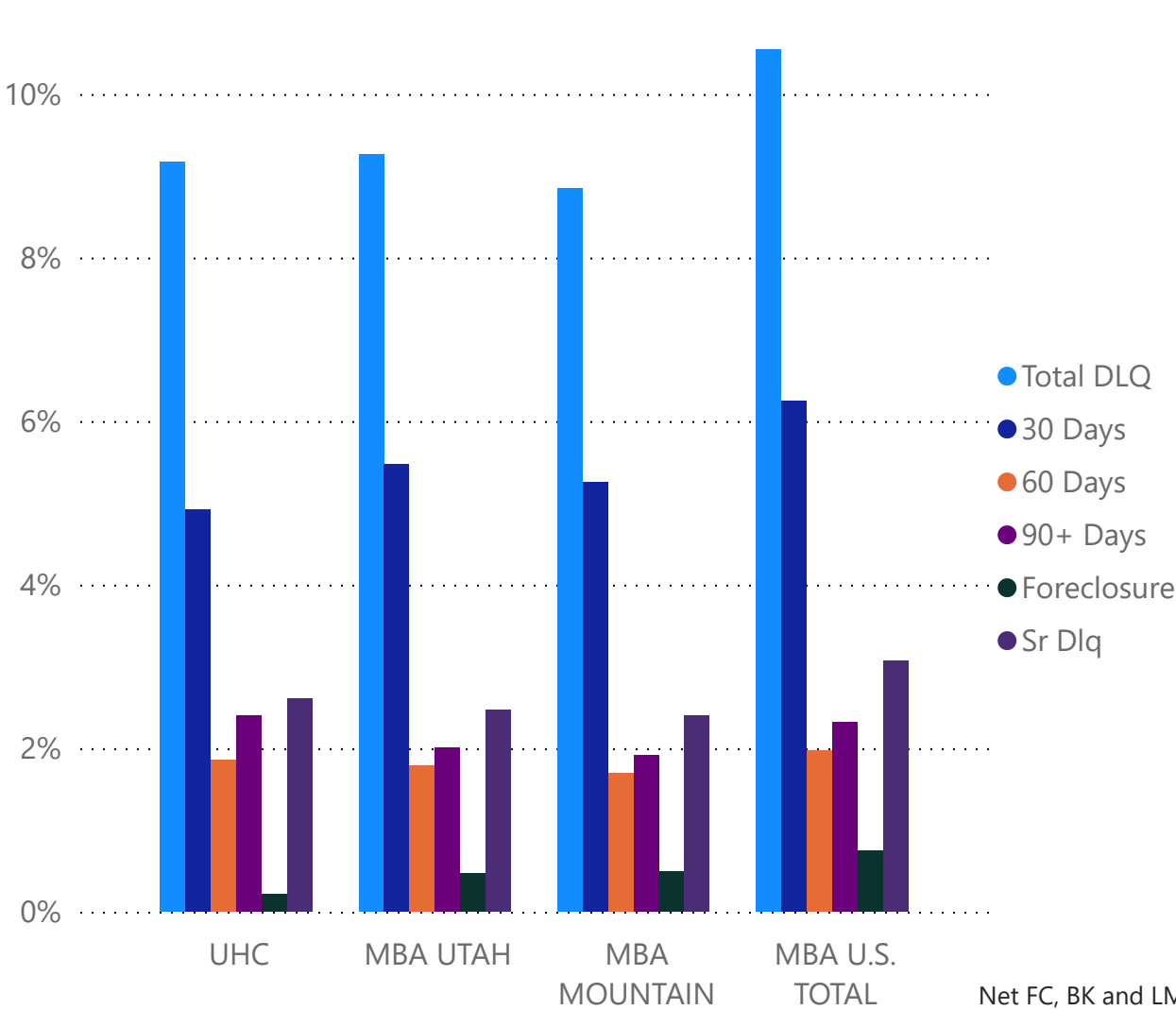
FHA/VA - Low Delinquency



Conventional Delinquency

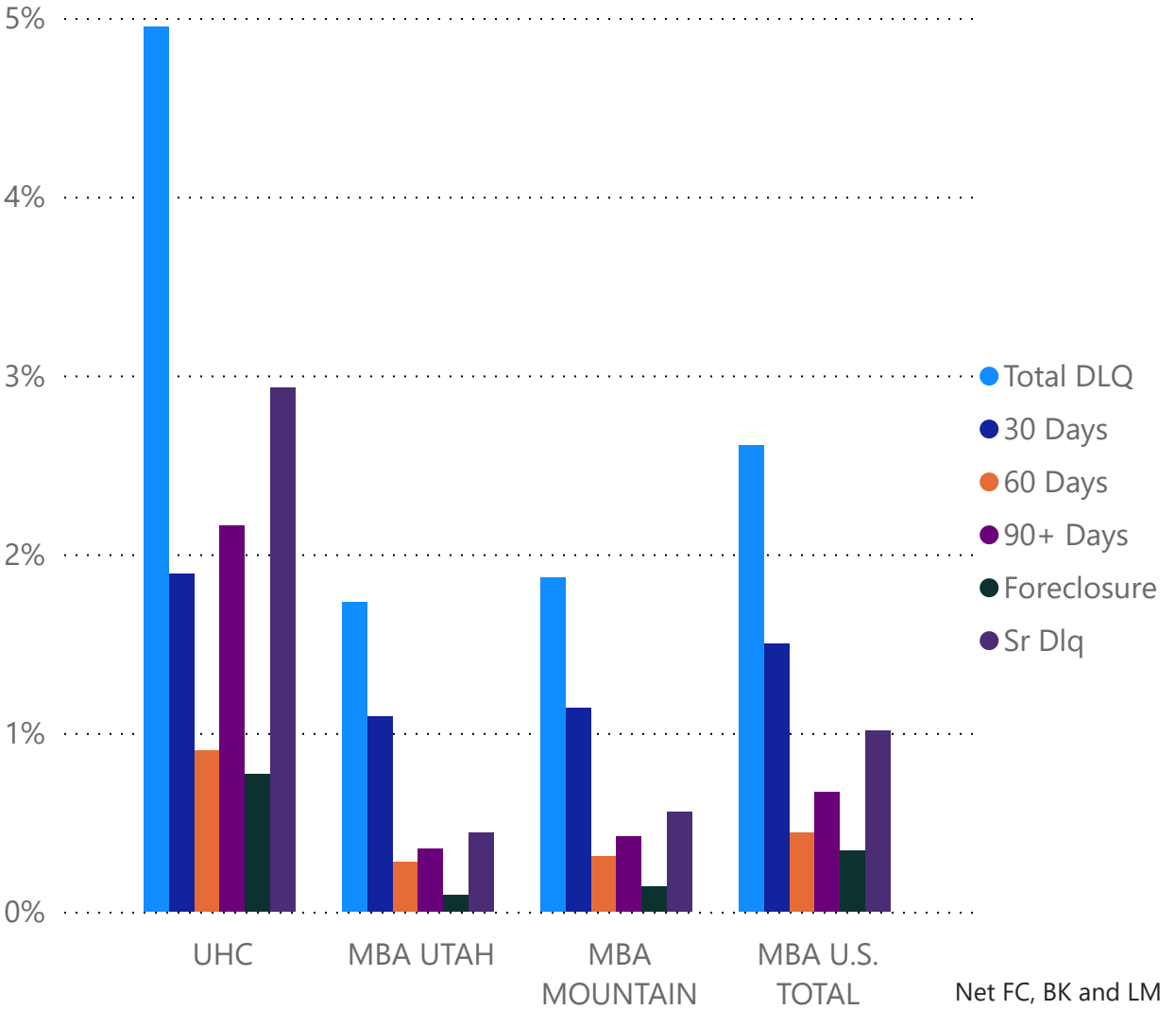


UHC vs MBA Servicing Q2: FHA FRM Loans



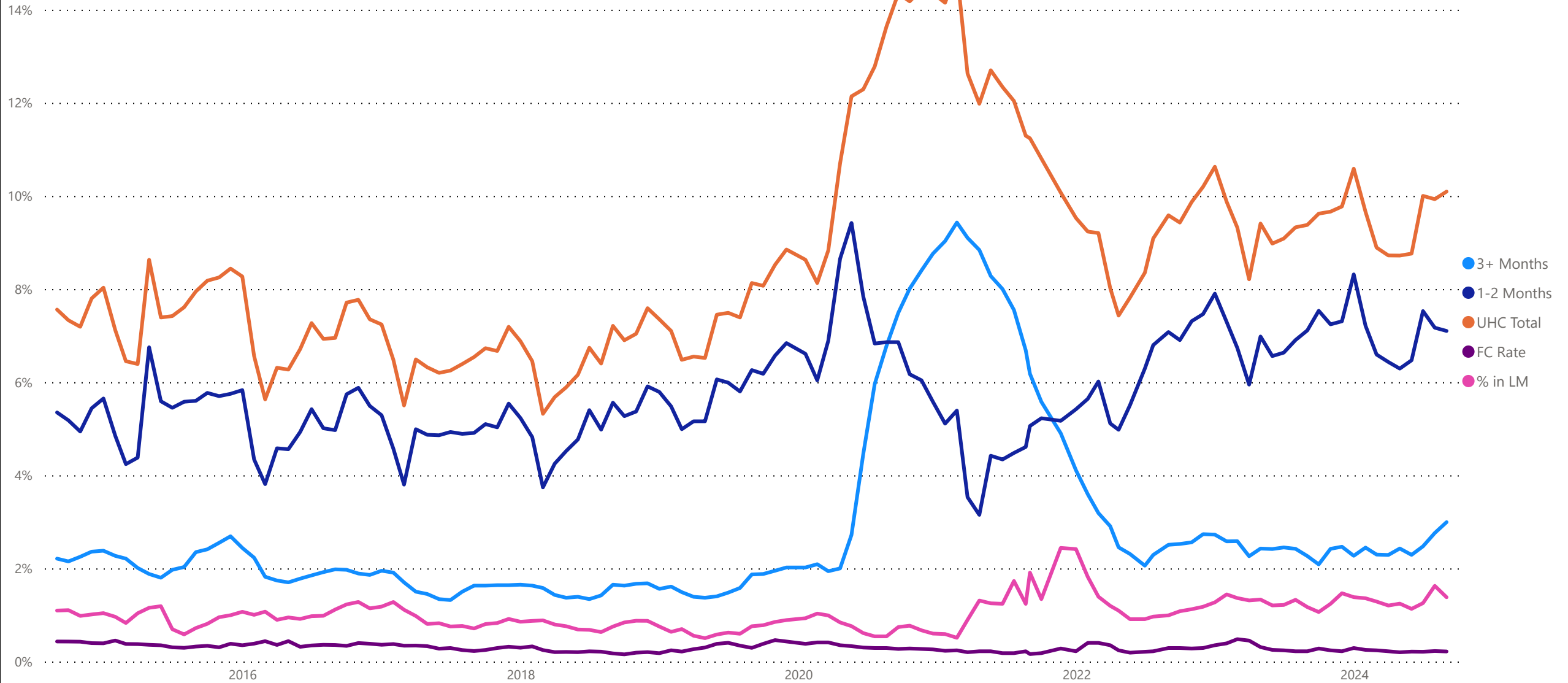
UHC vs MBA Servicing Q2: FHA FRM Loans						
Org-Area (groups)	Total DLQ	30 Days	60 Days	90+ Days	Foreclosure	Sr Dlq
UHC	9.17%	4.92%	1.85%	2.40%	0.21%	2.61%
MBA UTAH	9.26%	5.47%	1.79%	2.00%	0.47%	2.47%
MBA MOUNTAIN	8.84%	5.25%	1.69%	1.91%	0.49%	2.40%
MBA U.S. TOTAL	10.54%	6.24%	1.97%	2.32%	0.75%	3.07%

UHC vs MBA Servicing Q2: Conventional FRM Loans



UHC vs MBA Servicing Q2: Conventional FRM Loans						
Org-Area (groups)	Total DLQ	30 Days	60 Days	90+ Days	Foreclosure	Sr Dlq
UHC	4.95%	1.89%	0.90%	2.16%	0.77%	2.93%
MBA UTAH	1.73%	1.09%	0.28%	0.35%	0.09%	0.44%
MBA MOUNTAIN	1.87%	1.14%	0.31%	0.42%	0.14%	0.56%
MBA U.S. TOTAL	2.61%	1.50%	0.44%	0.67%	0.34%	1.01%

UHC Single Family Delinquency and FC Rates



8/31/2014



8/31/2024

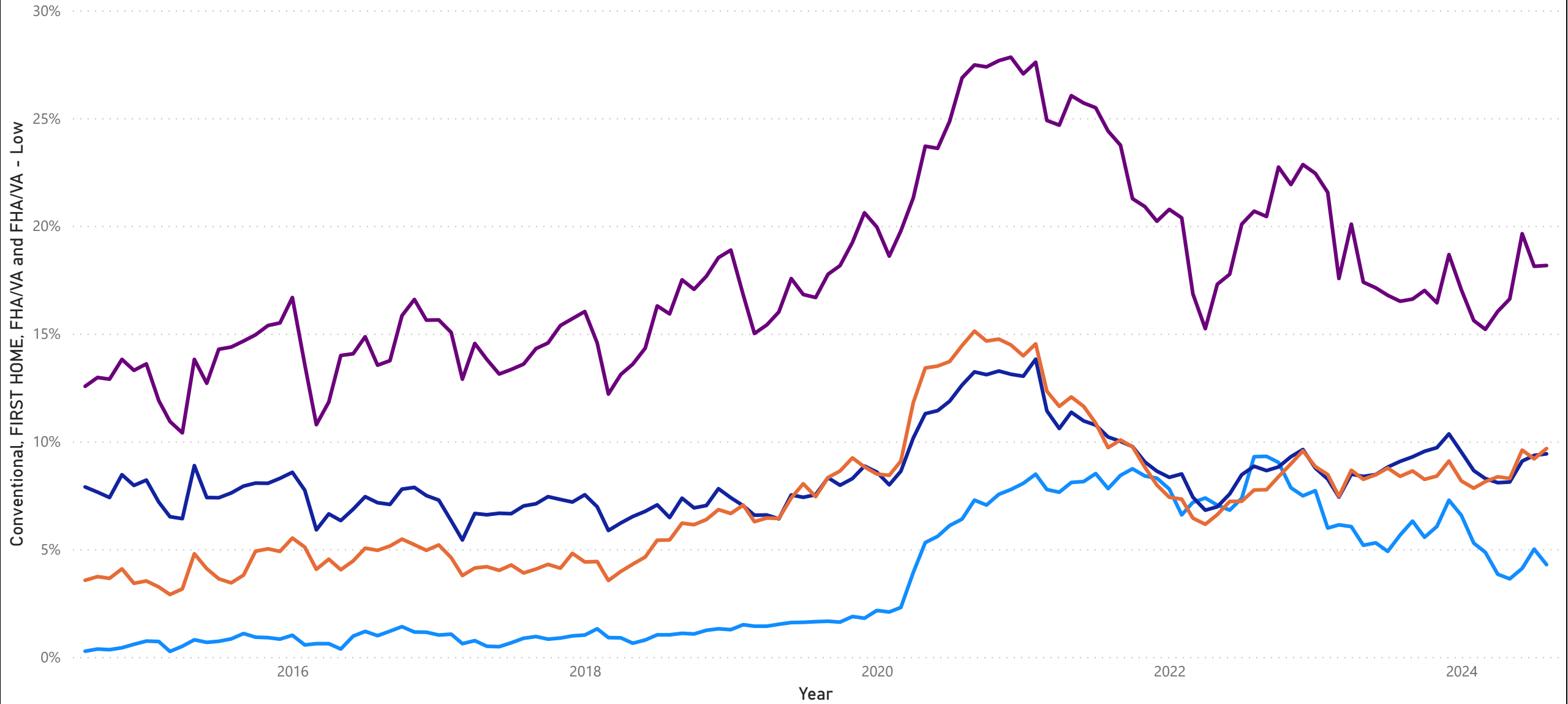


Utah Housing 1st Mortgage Portfolio Breakdown
As of 08/31/2024

Loan Program Breakdown DLQ Levels	Conventional			FHA/VA			FHA/VA - Low			FirstHome			Total		
	UPB	Count	%	UPB	Count	%	UPB	Count	%	UPB	Count	%	UPB	Count	%
☐ Current	\$207,510,467.65	798	95.00%	\$1,556,455,691.14	4764	89.63%	\$356,150,319.94	1362	81.12%	\$2,229,803,683.70	8794	90.01%	\$4,349,920,162.43	15718	89.29%
BK	\$420,903.61	2	0.24%	\$8,973,956.19	33	0.62%	\$1,225,874.81	7	0.42%	\$8,189,858.27	41	0.42%	\$18,810,592.88	83	0.47%
CUR/CL	\$207,089,564.04	796	94.76%	\$1,547,056,132.06	4730	88.99%	\$354,438,787.72	1353	80.58%	\$2,221,379,764.03	8752	89.58%	\$4,329,964,247.85	15631	88.79%
LM				\$425,602.89	1	0.02%	\$485,657.41	2	0.12%	\$234,061.40	1	0.01%	\$1,145,321.70	4	0.02%
☐ 90+ Days	\$3,644,601.06	15	1.79%	\$48,735,768.33	154	2.90%	\$23,066,859.09	96	5.72%	\$82,207,092.20	323	3.31%	\$157,654,320.68	588	3.34%
BK				\$2,636,590.84	10	0.19%	\$547,150.49	3	0.18%	\$3,825,554.66	17	0.17%	\$7,009,295.99	30	0.17%
CUR/CL	\$1,411,920.05	6	0.71%	\$27,948,673.35	89	1.67%	\$13,367,430.52	56	3.34%	\$43,934,940.22	183	1.87%	\$86,662,964.14	334	1.90%
FC	\$1,278,842.71	4	0.48%	\$1,946,997.65	7	0.13%	\$1,103,632.59	6	0.36%	\$3,465,648.55	14	0.14%	\$7,795,121.50	31	0.18%
LM	\$953,838.30	5	0.60%	\$16,203,506.49	48	0.90%	\$8,048,645.49	31	1.85%	\$30,980,948.77	109	1.12%	\$56,186,939.05	193	1.10%
☐ 60 Days	\$2,278,347.24	10	1.19%	\$36,011,276.14	117	2.20%	\$15,497,122.97	75	4.47%	\$41,740,945.77	182	1.86%	\$95,527,692.12	384	2.18%
BK				\$2,021,519.97	7	0.13%	\$272,476.58	1	0.06%	\$1,275,963.05	7	0.07%	\$3,569,959.60	15	0.09%
CUR/CL	\$2,096,366.41	9	1.07%	\$26,490,453.42	88	1.66%	\$13,340,244.83	66	3.93%	\$36,533,733.96	161	1.65%	\$78,460,798.62	324	1.84%
LM	\$181,980.83	1	0.12%	\$7,499,302.75	22	0.41%	\$1,884,401.56	8	0.48%	\$3,931,248.76	14	0.14%	\$13,496,933.90	45	0.26%
☐ 30 Days	\$4,075,628.39	17	2.02%	\$85,661,203.66	280	5.27%	\$31,244,949.41	146	8.70%	\$106,420,871.27	471	4.82%	\$227,402,652.73	914	5.19%
BK	\$415,192.81	2	0.24%	\$3,568,186.13	12	0.23%	\$401,688.94	2	0.12%	\$3,674,844.89	17	0.17%	\$8,059,912.77	33	0.19%
CUR/CL	\$3,660,435.58	15	1.79%	\$82,093,017.53	268	5.04%	\$30,843,260.47	144	8.58%	\$102,545,922.95	453	4.64%	\$219,142,636.53	880	5.00%
LM										\$200,103.43	1	0.01%	\$200,103.43	1	0.01%
Total	\$217,509,044.34	840	100.00%	\$1,726,863,939.27	5315	100.00%	\$425,959,251.41	1679	100.00%	\$2,460,172,592.94	9770	100.00%	\$4,830,504,827.96	17604	100.00%

1ST Mortgage Delinquency by Program Type

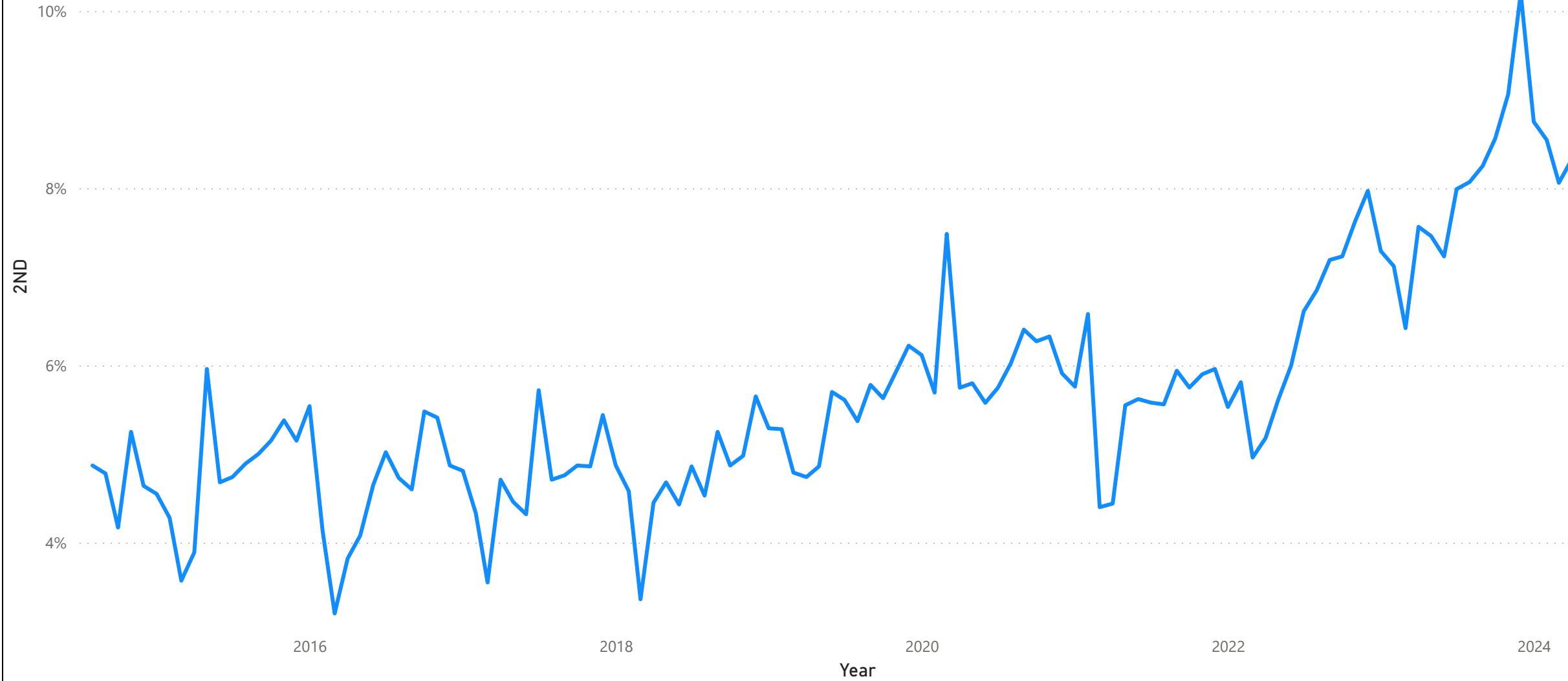
Conventional FIRST HOME FHA/VA FHA/VA - Low



8/31/2014 8/31/2024



2ND Mortgage Delinquency

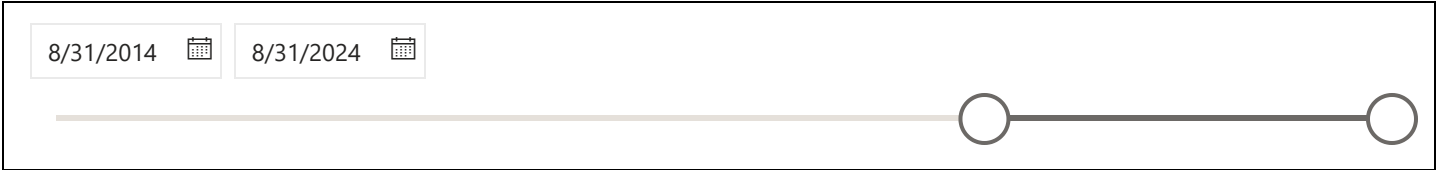
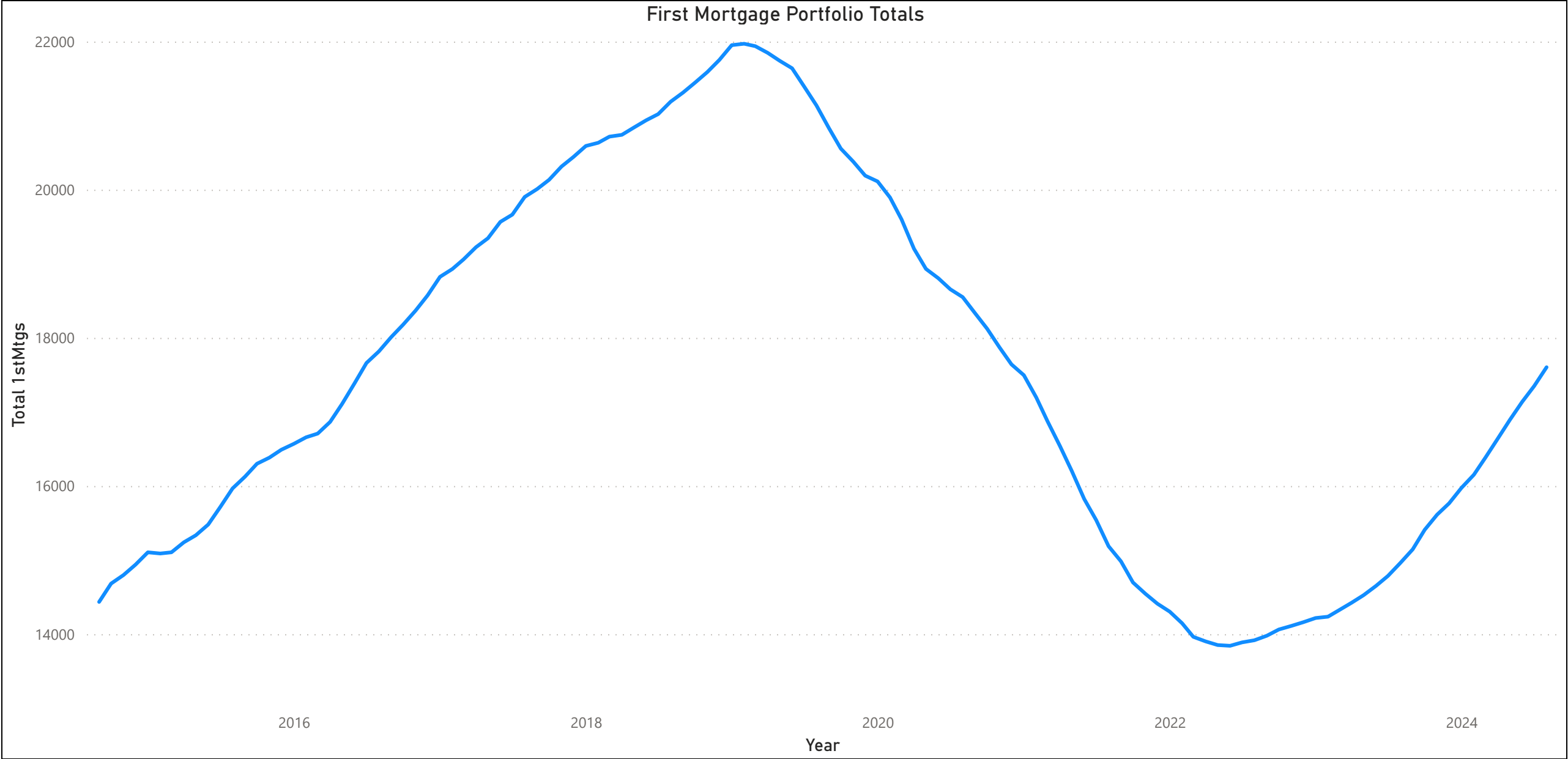


8/31/2014



8/31/2024





Utah Housing 1st Mortgage Portfolio Breakdown
As of 08/31/2024

Bankruptcies by Chapter and Delinquency							
BANKRUPTCY CH	7		13		Total		
DLQ Levels	Count of Loans	UPB	Count of Loans	UPB	Count of Loans	UPB	
30 Days	2	\$781,178.39	31	\$7,278,734.38	33	\$8,059,912.77	
60 Days	1	\$287,807.07	14	\$3,282,152.53	15	\$3,569,959.60	
90+ Days			37	\$8,878,928.95	37	\$8,878,928.95	
Current	17	\$5,132,760.86	67	\$14,042,206.48	84	\$19,174,967.34	
Total	20	\$6,201,746.32	149	\$33,482,022.34	169	\$39,683,768.66	

Bankruptcies by Chapter and Program							
BANKRUPTCY CODE	7		13		Total		
Loan Program Breakdown	Count of Loans	UPB	Count of Loans	UPB	Count of Loans	UPB	
FirstHome	9	\$2,680,380.20	75	\$14,878,606.22	84	\$17,558,986.42	
FHA/VA	10	\$3,398,451.61	53	\$14,022,233.85	63	\$17,420,685.46	
FHA/VA - Low	1	\$122,914.51	17	\$3,745,085.85	18	\$3,868,000.36	
Conventional			4	\$836,096.42	4	\$836,096.42	
Total	20	\$6,201,746.32	149	\$33,482,022.34	169	\$39,683,768.66	

Foreclosure Loans by Program											
Loan Program Breakdown	Conventional		FHA/VA		FHA/VA - Low		FirstHome		Total		
MAN CODE (groups)	Count of Loans	UPB	Count of Loans	UPB	Count of Loans	UPB	Count of Loans	UPB	Count of Loans	UPB	UPB
FC	4	\$1,278,842.71	7	\$1,946,997.65	6	\$1,103,632.59	14	\$3,465,648.55	31	\$7,795,121.50	

Active FHA Portfolio as of 07/31/2024

