



Program Update and Development

JANUARY 22, 2026

Programs Update

Current board approval in place (as of FY2026)

- General operations of single family (SF) program
- Deferred DPA program
- Habitat for Humanity
- 203(k) program
- Condominium construction financing initiative ⁽¹⁾

1 – HB 360, 2025 GS

General Operations of SF Program

Details

- Projected Cost: \$13MM to \$30MM
- Frequency: Annual
- Duration: No current sunset
- Source: Indenture
- Considerations: Based on current Capital Adequacy Study (CAS) projections, monies needed to support DPA, origination costs, costs of issuance, and other program costs; offsets include repayment, prepayment, premium, pledges

- Development Notes: CAS was conducted to understand projected cash needs investing into the SF program under a base case stressed scenario

Deferred DPA Program

Details

- Projected Cost: \$4.05MM to \$8.95MM
- Frequency: Annual
- Duration: No current sunset
- Source: Indenture
- Considerations: UHC is absorbing approximately 24bps per loan in order to create purchase power impacts. Projected costs are estimated at 25%-35% production at 200% PSA to 400% PSA

- Development Notes: Program was originally designed to offset loss of First Time Homebuyer Program ⁽¹⁾ and offer an alternative for low to moderate income borrowers by boosting purchasing power

1 – SB 240, 2023 GS

Deferred DPA Program

Comparison against traditional DPA offering

PRODUCT FEATURES	TRADITIONAL DPA	DEFERRED DPA
Term	30 years	30 years
Amortization	Fully Amortizing	Deferred
Interest Rate	1% above UHC first mortgage program; not to exceed 8%	3.5%; deferred simple interest
Amount	Up to 6% of first mortgage amount; not to exceed \$27,500	Up to 3.5% of first mortgage amount; not to exceed \$27,500
Monthly Payment	Yes	No
Maturity	Balance due upon sale or refinance	Principal and deferred simple interest due upon maturity, sale, or refinance

Habitat for Humanity

Details

- Projected Cost: \$475k to \$750k
- Frequency: Annual
- Duration: \$10MM annual cap; reviewed annually
- Source: Indenture
- Considerations: UHC currently has an agreement in place at 0% interest with a 1.5% discount rate; UHC has other development projects with Habitat for Humanity on various CROWN and HDLF lending
- Development Notes: Current model is unsustainable. New model and agreement is intended to encourage long term partnership. In addition, current agreement is only with on Habitat affiliate in Utah, new agreement would expand arrangement to all affiliates

203(k) Program

Details

- Projected Cost: Net neutral; risk based
- Frequency: Annual
- Duration: No current sunset
- Source: UHC balance sheet (CAS)
- Considerations: Post-closing escrow/construction management is main challenge for 203(k) loans. UHC will take on construction management, including inspections and draws. Utilize existing partnerships w/ inspectors & contractors; review 3rd party software
- Development Notes: Expanded availability of 203(k) financing discussed in strategic housing plan sessions

Condominium Construction Financing

Details (HB360, 2025 GS)

- Projected Cost⁽¹⁾: \$2.75MM to \$5.5MM loan loss estimate
- Frequency⁽¹⁾: Annual
- Duration⁽¹⁾: Current sunset of 2028⁽¹⁾; subject to change via legislation
- Source⁽¹⁾: UHC balance sheet (CAS)
- Considerations⁽¹⁾: Construction income earned by UHC to be used for initial 5% loss; proceeds repayable upon receipt of proceeds of loan

- Development Notes: Large unknown(s) on project costs. Currently run at 10% to 20% loss on \$27.5MM of projects. If sunset date is extended, estimates must be substantially revised. Repayment of principal subject to receipt of proceeds.

1 – Actual projections unknown subject to change on production and legislative change; excludes one (1) year extension agreement

Capital Adequacy Study

Sources (as of FY2026)

- Projected Takeout: \$10MM
- Frequency: Annual
- Duration: Five (5) years
- Considerations: Credit rating agency treatment of relationships of equity and assets

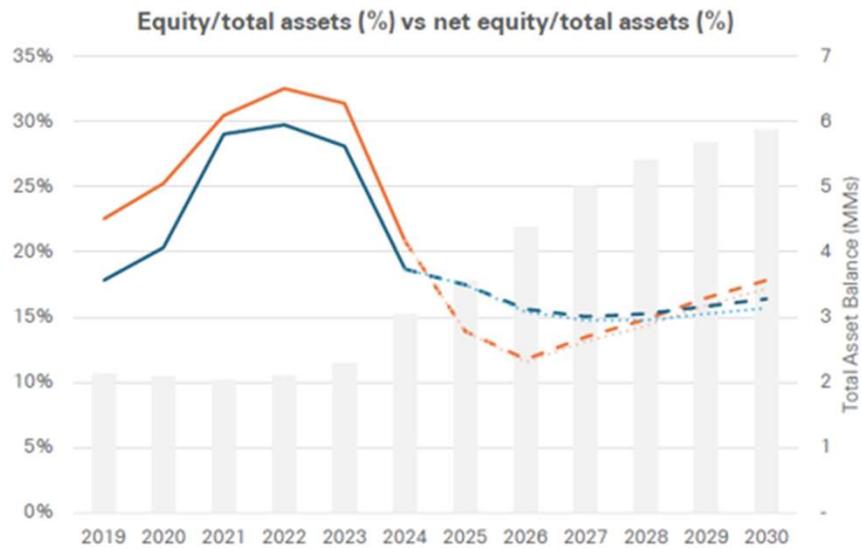
- Development Notes⁽¹⁾: Construction program income ⁽²⁾, 2nd mortgage portfolio, subsidy income, program equity contributions

1 – Not considered in the CAS

2 – HB360 2025 GS

UHC Certain Financial Ratios

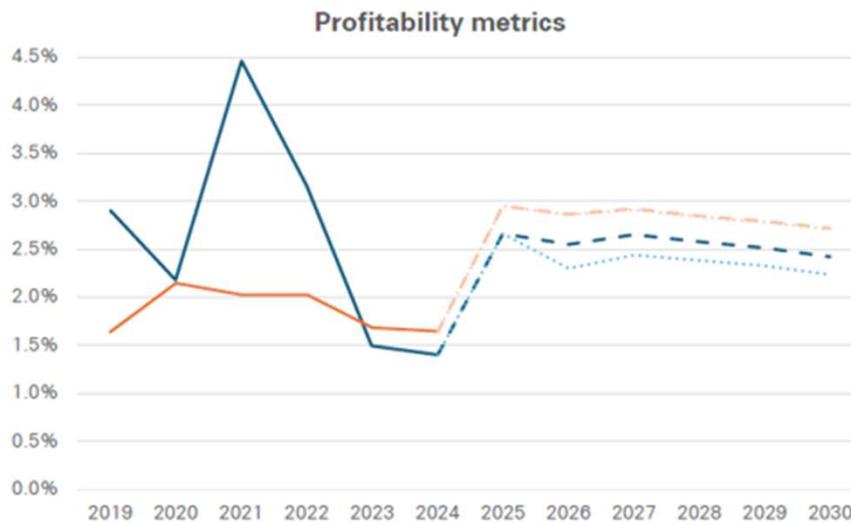
Base case (as of FY2026)



Change in Ratios w/ \$10mm Takeout

FY Ending	Equity/ total assets	Net equity/ total assets
2026	-0.2%	-0.2%
2027	-0.3%	-0.3%
2028	-0.5%	-0.5%
2029	-0.6%	-0.6%
2030	-0.7%	-0.7%

- Net equity/total assets
- - - Projected net equity/total assets (no future takeouts)
- Projected net equity/total assets (\$10mm future annual takeouts)
- Equity/total assets
- - - Projected equity/total assets (no future takeouts)
- Projected equity/total assets (\$10mm future annual takeouts)



Change in Ratios w/ \$10mm Takeout

FY Ending	Return on avg. assets	Net interest margin
2026	-0.3%	-0.0%
2027	-0.2%	-0.0%
2028	-0.2%	-0.0%
2029	-0.2%	-0.0%
2030	-0.2%	-0.0%

- Return on average assets
- - - Projected return on average assets (no future takeouts)
- Projected return on average assets (\$10mm future annual takeouts)
- Net interest margin
- Projected net interest margin (no future takeouts)
- - - Projected net interest margin (\$10mm future annual takeouts)

New Undertakings

Proposed (as of FY2026)

- 203(k) program ⁽¹⁾
- Condominium construction financing ⁽¹⁾
- Land banking
- Multifamily project gap financing
- Credit enhancement (Letters of Credit)

1 – Indicates programs previously approved by the Board and having impacts on UHC's balance sheet

Land Banking

Details

- Projected Cost: Unknown
- Frequency ⁽¹⁾: Ongoing, expanded
- Duration ⁽¹⁾: Ongoing, unknown for expansion
- Source: UHC balance sheet (CAS)
- Considerations: Discussions include UDOT parcels for affordable housing development and potential use for the condominium program

- Development Notes: UHC currently purchases and utilizes land through its CROWN and HDLF programs

1 – Frequency and duration can expand based on ongoing conversations. Under current assumption of UDOT parcels only

Multifamily Project Gap Financing

Details

- Projected Cost: \$4.5MM to \$7MM
- Frequency: Annually
- Duration: Five (5) to ten (10) years; potentially revolving based on resources
- Source: UHC balance sheet (CAS)
- Considerations: Requires UHC 1st mortgage lending on 4% transactions (financial risk); would act as cashflow note to positively impact DCR, increasing potential proceeds and helping reduce current funding gaps; project cost range assumes allocating additional state tax credits (STC) to fund an additional 9% project every two (2) to three (3) years
- Development Notes: Discussions on using STC as offset in a variety of capacities a) as semi-replacement if STC sunsets, or b) bridging funding gap of allocating more STC to 9% transaction in securing more low-income units

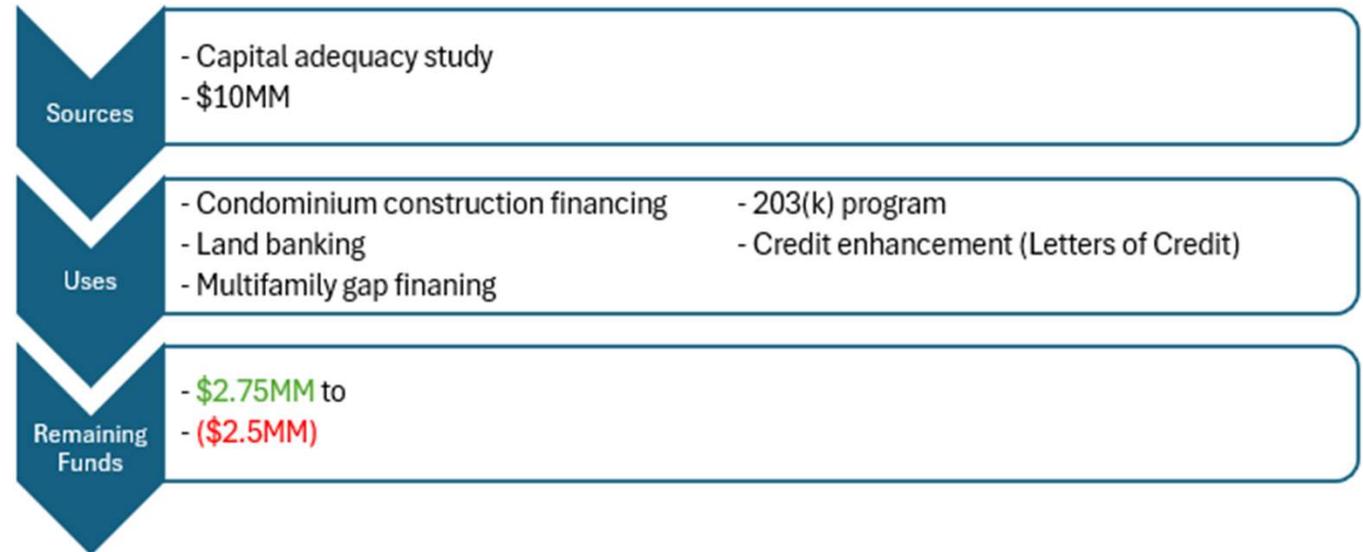
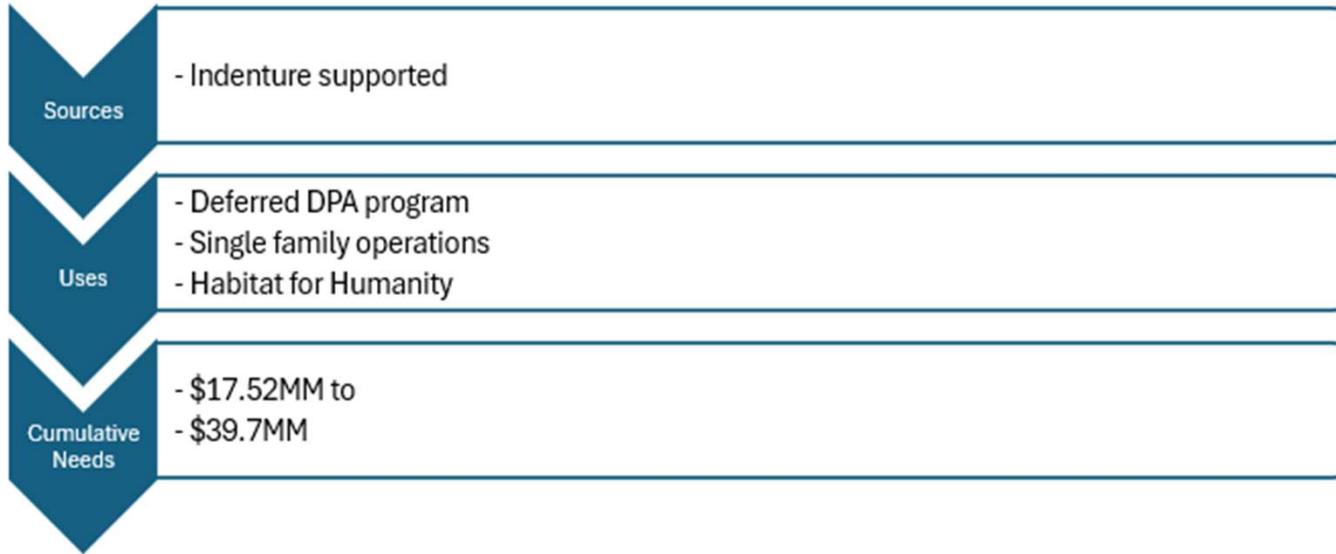
Credit Enhancement (Letters of Credit)

Details

- Projected Cost: Unknown
- Frequency: Unknown
- Duration: Unknown
- Source: UHC balance sheet (CAS)
- Considerations: Reducing borrowing and/or carry costs for multifamily projects; UHC would provide an insurance wrap during the construction phase. Serving as a secure alternative to pledging securities, offering liquidity, reducing costs, and simplifying collateral management for the insurer
- Development Notes: Additional discussions surrounding impact of initiative required

Capital and Program Needs

As of 1/22/2026



Future Considerations

Proposed (as of FY2026)

- FHA eligibility on existing condominium buildings ⁽¹⁾
- Single family modular construction financing ⁽¹⁾
- 9% permanent lending alternative ⁽¹⁾
- Capitalizing new multifamily indenture ⁽¹⁾

1 – Projected costs unknown; recommendation to explore further topics of interest