

**Community Development Administration
Maryland Department of Housing and Community Development**

Residential Revenue Bonds

**QUARTERLY UPDATE TO ANNUAL REPORT PROVIDED PURSUANT TO SECURITIES AND
EXCHANGE COMMISSION RULE 15c2-12**

The following information is being provided by the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the "Department"). This information updates certain information in the Report dated October 23, 2025, which was current as of June 30, 2025, for the Administration's Residential Revenue Bonds, which was filed with the Municipal Securities Rulemaking Board ("MSRB") through Electronic Municipal Market Access ("EMMA") pursuant to an undertaking of the Administration and applicable provisions of Rule 15c2-12 of the United States Securities and Exchange Commission. Reference is made to the Administration's official statements for its Residential Revenue Bonds published from time to time (the last Official Statement published prior to December 31, 2025 is dated November 4, 2025 and relates to the Administrations Residential Revenue Bonds, 2025 Series G and H), for definition of terms used herein, and additional information about the Administration and the Department and their programs. The financial information contained therein is current as of June 30, 2025.

The attachments hereto are set forth in appendices, identified by letter, which correspond to the appendices to the official statements.

The financial information and the operating data as of December 31, 2025 provided herein updates the Residential Revenue Bonds issued under the Administration's Residential Revenue Bond Resolution adopted by the Administration as of August 1, 1997 and amended and restated as of July 15, 2005 (the "Bond Resolution").

The financial statements for the years ended June 30, 2025 and June 30, 2024 of the Residential Revenue Bonds of the Administration have been audited by CliftonLarsonAllen LLP, as described in the Independent Auditor's Report of CliftonLarsonAllen LLP, accompanying the financial statements in Appendix H to this report. As indicated in the report of the auditor, such financial statements have been prepared in conformity with accounting principles and the audits conducted in accordance with auditing standards generally accepted in the United States. Unaudited financial statements for the Residential Revenue Bonds for the six months ended December 31, 2025 are also included in Appendix H.

The Maryland Housing Fund is an insurance fund and a unit of the Department of Housing and Community Development's Division of Credit Assurance. The Maryland Housing Fund insures a portion of the Residential Revenue Bonds mortgage loans made or purchased by the Administration with bond proceeds. The Maryland Housing Fund does not insure the bonds, and the assets of the Maryland Housing Fund are not available to satisfy obligations to holders of the bonds. The obligations of the Maryland Housing Fund are limited to the payment of mortgage insurance claims as described in the Issuer's official statement for the bonds.

The Administration provides quarterly updates to the annual EMMA filing on a voluntary basis. The policy of voluntarily disseminating information is not a contractual obligation to anyone, and the Administration may discontinue this practice at any time in its discretion without notice. Questions concerning this release should be directed to CDA Bonds - Investor Relations at (301) 429-7897, or by email at cdabonds_mailbox.dhcd@maryland.gov.

Attachments

- Appendix B-1 – The Program
- Appendix B-2 – Social Bonds Annual Reporting
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- Appendix G - Mortgage Insurance and Guarantee Programs (FHA Mortgage Insurance Program, VA Home Loan Guaranty Program, USDA RD Mortgage Guarantee Program, and Private Mortgage Insurance, The MHF Insurance Program)
- Appendix H - Community Development Administration Residential Revenue Bonds - Audited Financial Statements as of June 30, 2025 and June 30, 2024 and Unaudited Financial Statements for the six months ended December 31, 2025
- Appendix I - Maryland Housing Fund - Audited Financial Statements as of June 30, 2025 and June 30, 2024 and Unaudited Financial Statements for the six months ended December 31, 2025
- Appendix J - Investments Held in the Residential Revenue Bond Funds
- Appendix K - Residential Revenue Bond Program Loan Portfolio by Bond Series and Interest Rate
- Appendix L - Residential Revenue Bond Program Loan Portfolio by Bonds Series and Loan Type
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Date: March 24, 2026

Appendix B-1

THE PROGRAM

The Administration adopted the Bond Resolution in 1997 pursuant to the Act primarily to finance single family housing loans under the Residential Revenue Bond Program, but reserved the right to finance and also may issue Bonds to finance other kinds of housing and other types of loans permitted to be financed under the Bond Resolution. Prior to the adoption of the Bond Resolution, the Administration funded its single family program primarily through the issuance of bonds under the 1980 General Certificate. The 1980 General Certificate was retired in August of 2010.

On January 12, 2010, the Administration issued \$154,290,000 of Single Family Housing Revenue Bonds (the “NIBP Bonds”) pursuant to the NIBP Bond Resolution, the proceeds of which, (“the NIBP Proceeds”) were originally held in an escrow fund pending release in accordance with the NIBP. All of the NIBP Proceeds have been released from the NIBP Escrow Fund. In addition, on August 28, 2013 the Administration issued an additional series of bonds under the NIBP Bond Resolution in the aggregate principal amount of \$55,987,759. The Administration does not currently anticipate issuing any new series of bonds under the NIBP Bond Resolution, but may do so in the future. NIBP Bonds issued under the NIBP Bond Resolution are not secured by or payable from the loans or assets of the Bond Resolution. The Bonds are not secured or payable from any loans or other assets held under the NIBP Bond Resolution. See the most recent update for the Single Family Housing Revenue Bonds filed with EMMA.

Information provided in this Appendix B is derived from the Administration’s statistics which are compiled from different sources on a weekly, monthly, and quarterly basis and later revised as necessary.

This Appendix B generally describes Whole Mortgage Loans (defined below) except where the context provides otherwise.

Existing Portfolio and Available Funds Under the Bond Resolution

Existing Portfolio. As of December 31, 2025, single family whole loans (“Whole Mortgage Loans”) held in the Revenue Fund under the Bond Resolution total 3,789 in the outstanding principal amount of \$309,066,420 and Mortgage-Backed Securities (including participations therein) held in the Revenue Fund under the Bond Resolution total \$3,232,945,913. Additional Mortgaged-Backed Securities are held in other funds as described in Appendix J to this report. See Appendix J – “INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS” for a description of the types of Mortgaged-Backed Securities held in the Revenue Fund and in other funds under the Bond Resolution.

Participations in Mortgage Loans. The Administration may finance Mortgage Loans by purchasing participation interests in such Mortgage Loans, which may include Mortgage Loans financed with different Series of Bonds issued under the Bond Resolution. In the event that the Administration finances Mortgage Loans with the proceeds of two or more series of bonds under the Bond Resolution, funds from one or more of the series of bonds may earn interest at the rate of 0%. See “Certain Information Relating to Mortgage Loans” below.

Additionally, pursuant to the Agreement of Participation dated as of October 1, 2011 (the “Participation Agreement”) by and among the Administration, Manufacturers and Traders Trust Company, in its capacity as trustee under the Bond Resolution (the “Trustee”) and Manufacturers and Traders Trust Company, in its capacity as trustee under the NIBP Bond Resolution (the “NIBP Trustee”), the Administration has financed Mortgage Loans, and may continue to finance Mortgage Loans, through the purchase of participation interests in Mortgage-Backed Securities using amounts available under the Bond Resolution combined with amounts available under the NIBP Bond Resolution. Amounts received with respect to such Mortgage-Backed Securities are disbursed in accordance with the Participation Agreement.

Status of Available Proceeds

As of December 31, 2025, the Administration had \$920,107,300 of the bond proceeds available in its Program Fund. These proceeds and the corresponding bond series are reflected in the table below:

<u>Residential Revenue Bond Series</u>	<u>Total Lendable Proceeds (including original and recycled)</u>
2011 Series B (Non-AMT)	4,500,000
2014 Series C (Non-AMT) & 2014 Series D (AMT)	325,000
2015 Series A (Non-AMT)	30,000
2016 Series A (Federally Taxable)	200,611
2017 Series A (Federally Taxable)	773,816
2019 Series B (Non-AMT)	5,100,000
2019 Series C (Non-AMT)	5,050,000
2022 Series D (Non-AMT)	2,308
2023 Series C (Non-AMT)	835,956
2024 Series A (Non-AMT)	17,958,861
2024 Series C (Non-AMT)	5,295,130
2024 Series E (Non-AMT)	8,200,000
2024 Series G (Non-AMT)	287,487,774
2025 Series A (Non-AMT)	17,075,000
2025 Series C (Non-AMT)	4,750,000
2025 Series E (Non-AMT)	29,150,000
2025 Series F (Federally Taxable)	7,483,052

2025 Series G (Non-AMT)	25,630,913
2025 Series H (Federally Taxable)	141,858,210
2025 Series I (Non-AMT)	358,400,669

Lendable proceeds generally represent funds that may earn interest at the rate of 0% and are expected to be used to purchase participations in Mortgage-Backed Securities and/or Whole Mortgage Loans purchased with proceeds of future Additional Bonds and funds from the Additional Collateral Fund. Some of these funds may also be used to fund subordinate Down Payment Assistance loans.

The lendable proceeds in 2024 Series G have \$287,487,774 of the remaining original proceeds. The 2024 Series G Bonds are subject to mandatory tender on the following date: February 1, 2026 with respect to the 2024 Series G-4 and G-8 Bonds. The Administration expects to refund each such sub-series of 2024 Series G Bonds on or before its respective mandatory tender date.

As of December 31, 2025, the Program Funds with respect to 2025 Series F, 2025 Series G and 2025 Series H, had \$7,483,052, \$25,630,913 and \$141,858,210 of the remaining original proceeds, respectively, which may be lent at a market-driven interest rate. As of December 31, 2025, \$1,795,000 of the original 2025 Series G proceeds were held in the Program Fund of the 2024 Series G Bonds, awaiting SLGS maturity on January 1, 2026. Following the replacement refunding of that portion of the 2024 Series G Bonds on December 1, 2025, the Program Fund for the 2025 Series G will be replenished with a like amount of 2024 Series G Bond proceeds in January 2026. As of December 31, 2025, \$35,205,000 of the original 2025 Series G proceeds were held in the Redemption Account of the 2025 Series G, awaiting the 2024 Series G Bonds redemption on January 1, 2026. Following the replacement refunding of that portion of the 2024 Series G Bonds on January 1, 2026, the Program Fund for the 2025 Series G will be replenished with a like amount of 2024 Series G Bond proceeds in January 2026.

The lendable proceeds in 2025 Series I have \$358,400,669 of the remaining original proceeds. The 2025 Series I Bonds are subject to mandatory tender on January 1, 2027 with respect to the 2025 Series I-1 and I-2 Bonds. The Administration expects to refund each such sub-series of 2025 Series I Bonds on or before its respective mandatory tender date.

The Administration has been financing new loans for its single family program through the pooling of loans in exchange for Mortgage-Backed Securities and utilizing either sales into the capital markets or the issuance of Additional Bonds. It is expected that both executions will continue to be a source of financing for future production.

Certain Information on Loan Type. See Appendix L for certain information on Whole Mortgage Loans by bond series and loan type (including participations in Whole Mortgage Loans). The following table sets forth additional information with respect to its Whole Mortgage Loans as of December 31, 2025.

	<u>Original Number of Loans</u>	<u>Original Principal Amount</u>	<u>Number of Outstanding Loans</u>	<u>Outstanding Principal Balance</u>
30 Year Amortization	20,663	\$2,402,018,526	3,181	\$217,777,578
40 Year Amortization	802	170,290,867	118	17,064,661
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization*	170	44,366,152	17	2,249,615
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization*	2,491	547,685,728	380	55,519,655
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization*	546	131,407,100	93	16,454,911
Total	24,672	\$3,295,768,373	3,789	\$309,066,420

* As of December 31, 2025, all loans in the portfolio that were originally interest only are now amortizing.

In general, funds made available from the issuance of Bonds may be used to finance Mortgage Loans. Origination fees (including discount points) for the Mortgage Loans currently range from zero points to three points. At this time, the Administration would purchase Mortgage Loans that have an original term of 30 years with even monthly payments of principal and interest. Pending application to the purposes of each fund or account, monies held in various funds and accounts under the Bond Resolution will be invested in Investment Obligations.

The Administration may use all or a portion of proceeds available for Mortgage Loans to finance Mortgage Loans on behalf of the Participating Counties (described below) for Single Family Residences located in those counties, where the Participating Counties have requested the Administration to issue their allocable portion of qualified mortgage bonds. The participating counties are the Counties of Allegany, Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Queen Anne’s, St. Mary’s, Somerset, Talbot, Washington, Wicomico, Worcester and the City of Baltimore (the “Participating Counties”). If the Participating County does not use some or all of its allocation within any required period, the Administration may reallocate the funds to another Participating County or use the funds to purchase Mortgage Loans that finance the acquisition of Single Family Residences located in other jurisdictions of the State.

Eligible Mortgage Loans

General Provisions. Each Mortgage Loan must comply with the Act. Further, the Administration has set forth certain Series Program Determinations in Series Resolutions related to applicable Bonds which sets forth certain conditions related to the Mortgage Loans to be purchased with proceeds of such Bonds which includes the following: (1) a deed of trust must be executed and recorded in accordance with the requirements of existing laws; (2) the deed of trust must be the subject of a title insurance policy in an amount at least equal

to the outstanding principal amount of the Mortgage Loan, insuring that the deed of trust constitutes a first lien (except as otherwise permitted by the Administration), subject only to permitted liens and encumbrances; (3) unless the Mortgage Loan has a loan-to-value ratio of 80% or less and meets other requirements of the Administration, the Mortgage Loan must be subject to FHA mortgage insurance, a VA or USDA/RD guarantee, private mortgage insurance or by the Maryland Housing Fund Insurance Program, or otherwise credit enhanced, provided that the credit enhancement does not have a negative impact on the ratings on the bonds, and must be insured, with a uniform standard extended coverage endorsement, as and to the extent required by the Administration to protect its interest against loss or damage by fire, and other hazards, and by flooding if the Single Family Residence is located in an area designated as having specific flood hazards. As discussed under “SECURITY FOR THE BONDS – Program Assets”, the Administration has the right to materially modify, amend, alter, release or cancel any terms or provisions of any Credit Enhancement for a Mortgage Loan.

Purchase Price Limitations. The federal tax law and the Act place limits on the maximum purchase price of a residence financed with a Mortgage Loan. The maximum purchase price permitted under the Program (which are within the federal tax law requirements) vary from county to county, and currently range from \$544,233 for homes in Non-Targeted areas of St. Mary’s, Talbot, Washington, Wicomico and Worcester Counties to \$1,535,015 for homes in Targeted Areas of Washington, D.C. metropolitan statistical area (targeted areas in the counties of Frederick, Montgomery and Prince George’s Counties). In addition, the maximum mortgage amounts permitted under the Program vary from county to county, and currently range from \$524,225 for Allegany, Caroline, Dorchester, Garrett, Kent, St. Mary’s, Somerset, Talbot, Washington, Wicomico and Worcester Counties, to \$806,500 for Calvert, Charles, Frederick, Montgomery and Prince Georges Counties. In certain counties, the insurer’s or guarantor’s maximum mortgage amounts may be less or more than the maximum purchase prices permitted under federal tax law. The maximum purchase price of a residence financed by the Administration may not exceed the lesser of either the insurer’s or guarantor’s mortgage limit or the maximum purchase price established by federal tax law. Lower purchase price limits may apply to certain Mortgage Loans made available at interest rates that are lower than those generally available or for other programmatic reasons. In addition, maximum purchase price limits may be set lower for Mortgage Loans to be financed in particular community development projects of Single Family Residences or through Homeownership Initiatives. Current purchase price limitations are published on the Department’s website at: <https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx>.

Mortgage Loan Amounts. The maximum amount of a Mortgage Loan may not exceed the FHA maximum insured mortgage loan amount, the maximum loan amount guaranteed by VA or USDA/RD or insured under private mortgage insurance, as applicable. Under certain circumstances, the mortgage insurer or guarantor may allow financing above the amount of the purchase price of the mortgaged property in order to permit the financing of an up-front mortgage insurance premium, funding fee, guarantee fee, permitted closing costs, and other permitted costs such as rehabilitation and related costs permitted by FHA under the FHA Section 203(k) Rehabilitation Insured Mortgage Program, or by a lender that has an acquisition-rehabilitation program. The Administration may finance such costs as part of the Mortgage Loan. Therefore, a substantial proportion of the Mortgage Loans are expected to have loan-to-value ratios which equal or exceed 100%. The USDA/RD guarantee permits financing of closing costs and guarantee fee above the purchase price, as long as the total loan amount does not exceed the appraised value.

Borrower Income Limitations. The federal tax law and the Act place limits on maximum annual income of Borrowers eligible to receive Mortgage Loans. From time to time the Secretary may determine income limits other than those that are generally applicable (subject to the limits imposed by Section 143). In addition, the insurer or guarantor may have maximum income limits that may differ from the limits imposed by federal law or the Act. The maximum income limit permitted under the Program (which are within the federal tax law requirements), which is adjusted for household size, may vary from county to county, and currently ranges from \$131,700 for a one or two-person household in Non-Targeted Areas of Cecil, St Mary’s, Talbot, Washington, Wicomico and Worcester Counties to \$229,460 for a three-person or larger household in Targeted and Non-Targeted Areas of Frederick, Montgomery and Prince George’s Counties and Non-Targeted Areas of Charles County. The maximum annual household income of Borrowers eligible to receive Mortgage Loans may not exceed the lesser of the maximum income limits permitted under federal tax law or by the mortgage insurer or guarantor. Lower income limits may apply to certain Mortgage Loans made available at interest rates that are lower than those generally available or for other programmatic reasons. In addition, maximum income limits may be set lower for Mortgage Loans to be financed in particular community development projects of Single

Family Residences or through Homeownership Initiatives. Current borrower income limitations are published on the Department's website at: <https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx>.

“Smart Growth” Requirements. Title 5, Subtitle 7B (Priority Funding Areas) of the State Finance and Procurement Article of the Maryland Annotated Code (the “Smart Growth Act”), enacted in 1997, in general requires the Administration to ensure that newly constructed homes financed by Program loans are located in certain “priority funding areas”. The Smart Growth Act requirement does not apply if the loan is financed through bonds issued under a county’s transfer of its allocation to the Administration under Title 13, Subtitle 8 of the Financial Institutions Article. See “Existing Portfolio and Available Funds Under the Bond Resolution.”

Compliance with Federal Tax Law and Program Requirements. Under the 1986 Code, the failure by a Borrower to occupy a Single Family Residence financed by a Mortgage Loan for a period of 12 consecutive months may result in the inability of such Borrower to deduct interest payments for income tax purposes with respect to such Mortgage Loan during such period. In addition, under the 1986 Code, Borrowers may be required to pay a recapture tax as a result of the sale or other disposition of the Single Family Residence.

In order to comply with Section 103A and Section 143 and to meet other Program requirements, the Administration will require that each Mortgage Loan meets certain additional requirements, including the following:

(1) each Borrower must certify that the proceeds of the Mortgage Loan will be used only to acquire a Single Family Residence located in the State to be owned and occupied by the Borrower, and, except in certain limited circumstances, will not be used to acquire or replace an existing mortgage or other financing of a residence or any improvements thereto;

(2) each Borrower must certify with respect to the residence to be acquired that the Borrower (a) is presently occupying such residence as the Borrower’s principal residence, or shall occupy such residence as his principal residence in most cases within no more than 60 days after the closing of the Mortgage Loan, (b) intends thereafter to maintain the residence as the Borrower’s sole residence, and (c) will not use all or any portion of the residence in any trade or business activity, except with the prior written permission of the Administration;

(3) subject to certain exceptions, each Borrower must (a) provide to the Mortgage Lender or the Administration such Borrower’s credit report or income tax information filed with the Internal Revenue Service during the preceding three years and (b) certify, and the Administration also examines the credit report or income tax information as evidence, that the Borrower had no present ownership interest in a principal residence of the Borrower at any time during the three-year period ending on the date the Mortgage Loan is originated unless (a) the home to be financed is located in a Targeted Area, as defined below, where such prohibition on prior homeownership is not dictated, or (b) the borrower (or one of the co-borrowers) qualifies for a one-time exemption from these requirements as a veteran; and

(4) each Borrower and seller must certify the amount of the acquisition cost of the mortgaged property, and such acquisition cost may not exceed maximum acquisition costs established by the Administration in conformity with Section 143, FHA or other applicable maximum loan amounts, and Administration policy.

Targeted Area Set-Aside. As required by the 1986 Code, certain percentages of proceeds of Bonds may be required to be reserved to finance residences located in Targeted Areas throughout the State for a period of at least one year following the date of delivery of the related series of Bonds. A “Targeted Area,” as defined in Section 143(j) of the 1986 Code, is an area which is either (1) a census tract in which 70% or more of the families have income which is 80% or less of the statewide median family income, or (2) an area of chronic economic distress designated by the State as meeting State standards for such designation and the designation of which has been approved by the United States Secretary of the Treasury and the United States Secretary of Housing and Urban Development.

Remedies for Non-compliance. Mortgage Loans will provide that if the Administration discovers that any of the Borrower’s covenants in the deed of trust, including the Borrower’s and the seller’s certifications concerning eligibility for the loan, is untrue or incomplete, the Administration may require that the Mortgage Loan become immediately due and payable.

Mortgage Loans purchased from Mortgage Lenders are subject to repurchase by such Mortgage Lenders in the event of certain types of non-compliance. See “Mortgage Loans Purchased from Mortgage Lenders – Provisions for Repurchase of Mortgage Loans” below.

In an effort to assure continued compliance with Sections 103A and 143, the Administration includes due-on-sale clauses in the Deeds of Trust for Mortgage Loans, except to the extent FHA, VA, or USDA/RD do not permit such provisions. The Administration will require borrowers to seek the permission of the Administration and the mortgage insurer for any assumption of Mortgage Loans by Borrowers. Under the federal Depository Institutions Act of 1982, due-on-sale clauses, such as those to be contained in the Deeds of Trust with respect to the Mortgage Loans, are generally enforceable, with certain exceptions which may affect the ability of the Administration to enforce such clauses. Although there has been no reported Maryland court decision on the enforceability by the Program of due-on-sale clauses, an Assistant Attorney General of the State, in his capacity as counsel to the Department, rendered an opinion in 1981 that due-on-sale clauses in the context of the Program would be enforceable under Maryland law. However, any such enforcement by equitable remedies, such as foreclosure, would be subject to the exercise of discretion by the courts.

Loans Financed from Taxable Bonds

The Administration has used the proceeds of taxable bonds to purchase Mortgage Loans or participations therein. The Administration was using taxable bond proceeds to support a temporary refinance program, which the Administration closed in August of 2018. The refinance program purchased Loans that refinanced (i) loans with an adjustable rate or an increased payment provision, (ii) loans that otherwise were not affordable for the borrowers, and (iii) loans for borrowers who owed more on their mortgage loans than their homes were worth and who were current on their mortgage loans. The refinance program required that the borrower meet the Administration’s income limits for tax-exempt loans, and that the appraised value of the residence not exceed the purchase price limits of the Administration’s tax-exempt loan program. The Administration may also finance from taxable bonds (a) Loans that meet the eligibility requirements for the Administration’s tax-exempt loans except for the first-time homebuyer requirement in a non-targeted area or (b) certain other Loans that the Administration may wish to finance.

Mortgage Loans Purchased from Mortgage Lenders

The Administration purchases Mortgage Loans from qualified Mortgage Lenders. The Mortgage Lenders accept applications from potential Borrowers, screen them for eligibility, reserve funds with the Administration, obtain the required mortgage insurance commitment, obtain pre-closing compliance approval from the Administration, settle the Mortgage Loans with the Borrowers, and submit the Mortgage Loans to the Administration for purchase.

The Department’s Division of Development Finance (the “Division”) performs the initial screening of Mortgage Loans for eligibility under the criteria set forth above, unless a Mortgage Lender meets certain requirements to exempt the Mortgage Lender’s loans from an initial screening. See “Eligible Mortgage Loans” herein. After a Mortgage Lender obtains a reservation for a potential Borrower, the Mortgage Lender submits the potential Mortgage Loan to the Division. The Division reviews the potential Mortgage Loan for eligibility under the criteria set forth above.

The Administration purchases Mortgage Loans at a price equal to the outstanding principal balance thereof. Except as permitted otherwise by the Administration, the Mortgage Lender may collect origination fees (“points”) which include any fee paid to the Administration. Under the three-point program, the Mortgage Lenders pay the Administration a fee ranging between one percent and three percent, depending on when the purchase file is approved. Under the two-point program, the Mortgage Lenders pay the Administration a fee ranging between zero percent and two percent, depending on when the purchase file is approved. The Mortgage Lender thus receives a zero to two percent origination fee depending on when the purchase file is approved. Such fees paid to the Administration are not revenues under the Bond Resolution. Under the one-point program, the Mortgage Lender receives a one-point origination fee and the Administration pays the Mortgage Lender a fee of up to one percent, depending on when the purchase file is approved. Under the zero-point program, the Administration pays the Mortgage Lender a fee ranging between zero percent and two percent, depending on when the purchase file is approved.

Eligibility of Mortgage Lenders. Each Mortgage Lender must be (1) a “mortgage lender” within the meaning of the Act, (2) an approved seller of mortgage loans to Freddie Mac or Fannie Mae or who otherwise meets origination and other requirements of the Administration, and (3) in compliance with all other applicable State and federal laws, rules and regulations governing the business of the Mortgage Lender and the making of loans for residential housing. Each Mortgage Lender must enter into a Purchase Agreement with the Administration. The Administration may permit, upon its written approval, assignment of a Purchase Agreement to another Mortgage Lender that meets the preceding criteria.

Representations of Mortgage Lenders. Each Purchase Agreement sets forth or will set forth certain representations and warranties by the Mortgage Lender to the Administration concerning the Mortgage Loans sold to the Administration, including, among others, that at the time of delivery of such Mortgage Loan to the Administration (1) there is no default or delinquency under the terms of the Mortgage Loan, and no payments are more than 20 days past due under the Mortgage Loan (except for certain refinancing loans insured through a set aside of the MHF Unallocated Reserve); (2) the Mortgage Loan has never been more than 45 days in arrears (except for certain refinancing loans insured through a set aside of the MHF Unallocated Reserve); (3) all documents required to be filed to perfect the lien on the mortgaged property against third parties have been filed; (4) the deed of trust for such mortgaged property is the subject of a title insurance policy by an insurer acceptable to the Administration in an amount at least equal to the original principal amount of the Mortgage Loan, insuring that the deed of trust constitutes a first lien (except as otherwise permitted by the Administration for Mortgage Loans which may be financed under future bond series), subject only to permitted liens and encumbrances; (5) the term of the Mortgage Loan does not exceed any limits set forth in the Purchase Agreement; (6) the Mortgage Loan meets all applicable State and federal laws, codes and regulations; (7) if the Mortgage Loan was made to finance the purchase of a newly constructed residence, the builder has warranted all materials, workmanship and mechanicals under a homeowners warranty acceptable to the mortgage insurer or credit enhancer; (8) the improvements constituting part of the property are covered by hazard insurance as required by the Administration; and (9) each Mortgage Loan with a loan-to-value ratio greater than eighty percent is subject to mortgage insurance from FHA, a mortgage guarantee from VA or USDA/RD, the Maryland Housing Fund or private mortgage insurance acceptable to the Administration. In addition, under the Act, each Mortgage Lender must certify that the Borrower does not have assets exceeding twenty percent of the purchase price, in order to assure that the Borrower could not obtain a mortgage loan to purchase property in the unassisted private lending market.

Special Mortgage Purchase Agreements. The Administration may enter into alternate mortgage purchase agreements with certain Mortgage Lenders that are not Fannie Mae or Freddie Mac approved sellers of mortgage loans, provided that the Mortgage Lenders meet origination and other requirements of the Administration, which include experience in residential mortgage lending and in working with governmental or private mortgage insurance programs approved for Mortgage Loans.

Provisions for Repurchase of Mortgage Loans. Each Purchase Agreement provides or will provide that the Mortgage Lender will repurchase any Mortgage Loan sold to the Administration, upon written notice by the Administration, if at any time (1) the Administration determines that any representation was untrue or incomplete when made or a misstatement of a material fact exists in any of the documents delivered in connection with such Mortgage Loan; (2) there is a failure to deliver required Mortgage Loan documents; (3) any mortgage insurance with respect to such Mortgage Loan lapses because of the negligence of the Mortgage Lender with respect to the servicing of such Mortgage Loan; (4) the Administration suffers or is threatened with a material loss by reason of the misfeasance, nonfeasance or malfeasance of the Mortgage Lender or its agent acting as servicer of such Mortgage Loan; (5) any payment of principal and interest is not made on the Mortgage Loan or the initial premium for any mortgage insurance is not paid and, on the basis of such non-payment, the issuer of mortgage insurance refuses to pay a claim on such Mortgage Loan; and (6) the Mortgage Lender, without prior written consent of the Administration, waives the enforcement of (or consents on behalf of the Administration to waive) the particular provisions of the Mortgage Loan requiring that (a) the Mortgage Loan is due on sale and may not be assumed except to the extent that the Mortgage Loan so provides; (b) at the time the Mortgage Loan is made, the Borrower shall not borrow additional amounts secured by the lien of the deed of trust without the consent of the Administration; and (c) an event of default permitting acceleration of the indebtedness shall occur if the Administration determines that any representation or statement of a material fact in any document executed in connection with the Borrower’s application or the origination of such Mortgage Loan was or is untrue or incomplete.

If a Mortgage Lender refuses to repurchase a Mortgage Loan, then the Administration may seek enforcement through legal proceedings which are subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity. Such legal proceedings may result in a delay of the repurchase. In addition, the Administration may exercise discretion in pursuing its rights and remedies under the Purchase Agreements. The ability of a Mortgage Lender to repurchase a Mortgage Loan will depend upon the financial condition of the Mortgage Lender at the time of the required repurchase. Five repurchase demands remain outstanding as of December 31, 2025. For more detail on such repurchase activity, see the most recent Asset-Backed Securities Disclosure Documents update for the Administration's Residential Revenue Bonds filed on EMMA.

Mortgage-Backed Securities; Sale of Mortgage-Backed Securities and Whole Loans

Effective as of February 1, 2011, newly originated Mortgage Loans insured by FHA or guaranteed by VA, RHS or private mortgage insurers generally have been purchased and securitized into mortgage-backed securities guaranteed by GNMA, Fannie Mae or Freddie Mac (the "Mortgage-Backed Securities"). U.S. Bank, National Association, a GNMA, Fannie Mae and Freddie Mac approved master servicer, purchases, securitizes and services such Mortgage Loans pursuant to a Servicing Agreement between the Administration and U.S. Bank National Association. No assurance can be provided, however, that the Administration will continue to cause such Mortgage Loans to be securitized into Mortgage-Backed Securities.

Given the interest rate environment for tax-exempt bonds and Mortgage Loans, the Administration has financed a substantial portion of its mortgage loan production through the sale of Mortgage-Backed Securities or whole loans to third parties rather than through the issuance of bonds. The Administration expects that sales of Mortgaged-Backed Securities will continue to provide a source of financing for production in the near term, along with the issuance of Additional Bonds.

Homeownership Initiatives; Developer Reservations

Homeownership Initiatives. From time to time, the Administration may set aside a portion of proceeds of the Bonds for special initiatives that promote targeted homeownership objectives. For these special initiatives, the Administration may adjust interest rates, income limits and other eligibility criteria, within the requirements of the 1986 Code or the 1954 Code, as applicable, the requirements of the credit enhancer and the Act.

Developer Reservations. The Administration may agree to provide financing for Mortgage Loans to eligible purchasers of Single Family Residences in certain "community development projects" (the "Single Family Projects") pursuant to commitments to developers. The Administration requires the developer to submit an application acceptable to the Administration. Upon a determination by the Secretary of project eligibility under the Act, the Administration issues a commitment to a developer for a specified time period to finance Mortgage Loans to eligible purchasers with respect to the Single Family Project. A commitment reserves financing for prospective purchasers who qualify and are eligible under the Program and also sets forth maximum sales prices on units to be financed by the Administration and covenants and warranties to be made by the developer. The Administration may allow developers of Single Family Projects to make a deposit in an escrow account which will be applied to reduce the monthly payments due on Mortgage Loans made on residences in the Single Family Projects for up to four years after closing.

After a developer has sold a Single Family Residence and entered into a sales contract, the developer or a representative of the developer forwards the completed loan application to the Administration, if the Administration is expected to make the Mortgage Loan, or to a Mortgage Lender, if the Administration is expected to purchase the Mortgage Loan.

For developers who arrange for Mortgage Loan financing of individual Mortgage Loans through approved Mortgage Lenders, the Administration will purchase Mortgage Loans for Single Family Residences either in accordance with a Purchase Commitment or pursuant to a reservation initiated by the Mortgage Lender on behalf of the borrower.

Mortgage Loans Made by the Administration

The Administration may originate loans eligible for insurance through the Maryland Housing Fund, with Maryland Housing Fund approval, and may also originate uninsured loans that have acceptable secondary financing from the Department, a governmental agency or a non-profit, under circumstances authorized by the Act. The Administration will not originate FHA, VA, USDA/RD or privately insured loans unless it becomes an FHA, VA or USDA/RD lender or a lender authorized by a private mortgage issuer.

Mortgage Loans originated by the Administration that are found to be ineligible under Section 103A or Section 143 are not subject to repurchase by any Mortgage Lender. In order to preserve the exclusion from gross income for federal income tax purposes of the interest payable on the bonds, the loans may be sold out of the Bond Resolution portfolio or the Administration may declare such Mortgage Loans in default and commence foreclosure proceedings or take other appropriate measures. Foreclosure is an equitable remedy subject to various defenses and judicial discretion.

Servicing of Mortgage Loans

Whole Loan Servicer Agreement. As of the date hereof, 100% of all Whole Mortgage Loans are serviced by Dovenmuehle Mortgage, Inc. (the “Whole Loan Servicer”). Dovenmuehle Mortgage, Inc. assumed the servicing obligations of Bogman, Inc. as of July 1, 2016.

The agreement with the Whole Loan Servicer (the “Whole Loan Servicer Agreement”) requires the Whole Loan Servicer to perform all duties and acts incident to the servicing of Mortgage Loans covered thereby that a reasonable, prudent mortgagee would perform with respect to mortgage loans owned by it. The Whole Loan Servicer is responsible for the collection of all payments from Borrowers and must render an accounting monthly to the Administration of all sums collected and disbursed under the Whole Loan Servicer Agreement. The Whole Loan Servicer is required to remit to the Trustee all Mortgage Repayments, Prepayments and curtailments it receives with respect to Mortgage Loans serviced under the Whole Loan Servicer Agreement. In addition, the Whole Loan Servicer Agreement requires the Whole Loan Servicer to have in effect (and maintain during the term of the Whole Loan Servicer Agreement), at no cost to the Administration, a fidelity bond and policies of insurance providing fire and extended coverage and errors and omissions coverage, all in amounts and with coverage satisfactory to the Administration, for mortgagee errors and omissions and insuring against loss arising from dishonest, criminal or fraudulent acts, and errors and omissions of the officers and employees of the Whole Loan Servicer.

If any default occurs on a Mortgage Loan covered by the Whole Loan Servicer Agreement, the Whole Loan Servicer must take all actions necessary and proper to enforce all applicable contractual provisions of the defaulted Mortgage Loan, including, at the direction of the Administration, the institution of foreclosure proceedings. The Administration will bear all foreclosure and related expenses, to the extent not reimbursable by the applicable mortgage insurance or collected from the Borrower. The failure of the Whole Loan Servicer to send notice properly and report to the Administration or the insurer of a Mortgage Loan as to the status of a delinquent Mortgage Loan may result in the Whole Loan Servicer being required to compensate the Administration.

The Whole Loan Servicer is required to comply with detailed requirements set forth in the Department’s servicing manual.

Asset Management. Asset management for Mortgage Loans is provided to the Administration by the Single Family Operations section of the Division of Credit Assurance (“Asset Management”).

With respect to the Mortgage Loans, Asset Management:

(1) monitors the servicing performance of the Whole Loan Servicer for compliance with the requirements of the Whole Loan Servicer Agreement and the Department’s servicing manual by requiring from the Whole Loan Servicer:

- (a) monthly Mortgage Loan delinquency reports;

- (b) annual audited financial statements; and
 - (c) an annual certification that the Whole Loan Servicer is complying with the Servicer Agreement and the Department's servicing manual;
- (2) directs and reviews Whole Loan Servicer's handling of Mortgage Loan delinquencies;
 - (3) directs and evaluates Whole Loan Servicer's actions in connection with foreclosure proceedings; and
 - (4) analyzes delinquencies and foreclosures and creates and implements corrective action plans.

The Division of Credit Assurance contracts with two different private sector realty companies which provide REO management and disposition services for properties in the REO portfolio. Asset Management staff monitors these services.

Servicemembers Civil Relief Act. It is possible that one or more of the Mortgage Loans could be affected by the Servicemembers Civil Relief Act, as amended (formerly, the Soldiers' and Sailors' Civil Relief Act of 1940), which applies to persons called to active duty in the armed forces. The act applies only if the service member was not in the military when the loan was made. The act creates a rebuttable presumption that any persons called to active duty will experience a "material impairment of their ability to pay their debts". As a result, the outstanding debts of a person called to active duty may be reduced to bear interest at an annual rate of 6% for the period of military service. The act also provides that foreclosure on such debt will not be permitted for a period up to one (1) year after the end of active duty. A mortgagee, such as the Administration, may apply to any federal or State court to override the presumption and preclude its effects on a debt, such as a Mortgage Loan.

Loan Modifications

In the case of delinquencies of Mortgage Loans insured or guaranteed by FHA, VA or Rural Development or by any private insurance companies, the Administration modifies the terms of such Mortgage Loans in accordance with the requirements of the mortgage insurer or guarantor. Such modifications may include the deferral of monthly payments of principal and interest, the extension of the maturity dates and re-amortization of the outstanding principal balances of the Mortgage Loans, and, in the case of FHA insured mortgage loans, the payment by FHA of partial insurance claims.

Since October 23, 2009, FHA has required lenders holding FHA insured mortgage loans in default to modify such mortgage loans by reducing the interest rates to current market rates and by extending the term to a full 30 years from the date of loan modification. The Administration has received a letter from FHA waiving such requirements; however, no assurance can be given as to whether FHA will continue such waiver or, if not continued, what the impact will be on the Bonds as a result of any such modifications of the Administration's FHA insured mortgage loans.

On March 4, 2009, the U.S. Department of the Treasury announced guidelines to enable mortgage loan servicers to begin modifications of eligible mortgage loans under the Homeowner Affordability and Stability Plan, (the "Plan"). The Administration is not participating in the Making Home Affordable Program, which is part of the Plan, and is not modifying the Administration's Mortgage Loans through the Home Affordable Modification Program, which is also part of the Plan. No assurance can be given whether the Administration will commence the modification of the Administration's Mortgage Loans pursuant to such guidelines or the Plan.

Estimated Revenues of Program

Under Section 143 of the Code, the yield of the Mortgage Loans or participations therein allocable to each Series of federally tax-exempt Bonds issued under the Bond Resolution (other than with any contributions by the Administration) may not exceed the yield of such Series of Bonds by more than 1-1/8 percentage points. All Revenues derived from such Mortgage Loans are available for payment of the Bonds. However, except as otherwise permitted under the 1986 Code, an amount equal to the portion of Revenues derived from investments

in Investment Obligations made in connection with such Series of Bonds (other than with contributions by the Administration) that exceeds a yield equal to the yield of such Series of Bonds (calculated in accordance with Section 143 of the Code, whichever is applicable) or represents gains made on such investments must be paid to the United States. Such restrictions limit the amounts available to pay the principal of and interest on the Bonds. The Administration estimates that, in each year in which the bonds are scheduled to be outstanding, there will be sufficient moneys available under the Bond Resolution to pay the principal of and interest on the Bonds, after payment of (1) fees and expenses of the fiduciaries and (2) the estimated costs of servicing the Mortgage Loans and other Program expenses.

Certain Information Relating to Whole Mortgage Loans

Certain information relating to the Whole Mortgage Loans (including participations in Whole Mortgage Loans) made or purchased with proceeds of prior Series of Bonds as of December 31, 2025 is set forth in Appendix K. The following table sets forth as of December 31, 2025, the number, outstanding principal balance and percentage of the total outstanding balance of the Whole Mortgage Loans which have been financed in each of the political subdivisions of the State.

RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY COUNTY as of December 31, 2025

<u>County</u>	<u>Current Number of Mortgage Loans⁽¹⁾</u>	<u>Current Outstanding Principal⁽¹⁾</u>	<u>Percent of Current Total Outstanding Principal⁽¹⁾</u>
Allegany County	79	\$3,412,927	1.10%
Anne Arundel County	161	\$17,911,693	5.80%
Baltimore City	1,625	\$99,866,666	32.31%
Baltimore County	671	\$54,067,871	17.49%
Calvert County	18	\$2,897,052	0.94%
Caroline County	20	\$1,599,102	0.52%
Carroll County	26	\$3,750,432	1.21%
Cecil County	22	\$1,900,912	0.62%
Charles County	61	\$9,280,507	3.00%
Dorchester County	16	\$1,138,942	0.37%
Frederick County	57	\$6,946,783	2.25%
Garrett County	6	\$347,718	0.11%
Harford County	161	\$14,275,915	4.62%
Howard County	50	\$5,391,205	1.74%
Kent County	6	\$508,075	0.16%
Montgomery County	64	\$8,693,433	2.81%
Prince George's County	414	\$53,115,656	17.19%
Queen Anne's County	6	\$1,083,989	0.35%
Saint Mary's County	22	\$2,451,572	0.79%
Somerset County	23	\$1,451,592	0.47%
Talbot County	15	\$1,041,759	0.34%
Washington County	143	\$9,449,674	3.06%
Wicomico County	105	\$7,557,980	2.45%
Worcester County	18	\$924,965	0.30%
	<u>3,789</u>	<u>\$309,066,420</u>	<u>100.00%</u>

Note:

(1) Individual amounts may not add up to the total amount because of rounding.

RESIDENTIAL REVENUE BOND PROGRAM BY INSURER

As of December 31, 2025 the Mortgage Loans (including participations in Mortgage Loans) made or purchased by the Administration with proceeds of prior Series of Bonds were originally covered by primary mortgage insurance or guarantees as of the date of the origination thereof as follows:

Primary Mortgage Insurer or Guarantor	Current Number of Mortgage Loans ⁽¹⁾	Current Outstanding Principal ⁽¹⁾	Percent of Current Total Outstanding Principal ⁽¹⁾	
FHA	2,070	127,224,429	41.16%	
VA	78	5,946,697	1.92%	
RHS	85	6,962,078	2.25%	
All Privately Insured ⁽²⁾	1,150	138,854,572	44.93%	
Mortgage Guaranty Insurance Corporation	560	69,796,744	22.58%	(3)
Republic Mortgage Insurance Company	177	22,786,153	7.37%	(3)
United Guaranty Residential Insurance Company	288	31,605,810	10.23%	(3)
PMI Mortgage Insurance Company	44	4,843,482	1.57%	(3)
Genworth Financial	47	6,124,423	1.98%	(3)
Triad Guaranty Insurance Corporation	11	1,070,145	0.35%	(3)
Radian Guaranty, Incorporated	23	2,627,817	0.85%	(3)
MHF	181	10,930,300	3.54%	
Uninsured Paid Down (current loan to value ratio of less than 80%)	14	209,356	0.07%	
Uninsured (original loan to value ratio of more than 80%)	1	65,585	0.02%	
Uninsured (original loan to value ratio of less than 80%)	210	18,873,403	6.11%	
	3,789	309,066,420	100.00%	

Notes:

- (1) Individual amounts may not add up to the total amount because of rounding.
- (2) Currently, coverage of 35% is required of private mortgage insurance policies; the Administration is not currently financing Mortgage Loans that are insured by private mortgage insurance companies but may do so in the future. According to their respective websites, due to financial conditions, PMI Mortgage Insurance Company, and Triad Guaranty Insurance Corporation are each currently acting under supervision of their respective regulators and as a result are paying only a percentage of any claim allowed under an applicable insurance policy. The Administration makes no representation regarding the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payments to the Administration on Mortgage Loans on which losses are incurred and has no obligation to provide continuing disclosure with respect thereto.
- (3) This percentage represents the portion of the private insurer as a percentage for the total of all privately insured.

Information Relating Liquidity Providers for Variable Rate Bonds:

The series of variable rate bonds currently outstanding and information relating to liquidity facilities in place with the Administration's Residential Revenue Bonds with respect to such bonds outstanding as of December 31, 2025 are as follows:

Maryland Community Development Administration Liquidity Facilities in place as of January 1, 2026								
<u>Bond Issue</u>	<u>Date of Initial Issuance</u>	<u>Outstanding Principal As of January 1, 2026</u>	<u>Liquidity Facility Provider</u>	<u>Notes</u>	<u>Liquidity Facility Exp. Date</u>	<u>Liquidity Facility Credit Ratings (3)</u>		
						<u>Moody's</u>	<u>Fitch</u>	
2006 Series G	5/24/2006	7,685,000	Wells Fargo Bank	(2)	1/6/2027	Aa2/P-1	AA-/F1+	
2006 Series J	7/13/2006	36,270,000	Wells Fargo Bank	(2)	1/6/2027	Aa2/P-1	AA-/F1+	
2012 Series B	8/23/2012	42,715,000	TD Bank	(1)	8/20/2026	A1/P-1	AA-/F1+	
2014 Series F	9/25/2014	23,770,000	Wells Fargo Bank	(2)	1/6/2027	Aa2/P-1	AA-/F1+	

(1) TD Bank, N.A.
 (2) Wells Fargo Bank, National Association
 (3) Ratings as of March 12, 2026

Based on reports to the Administration from the Whole Loan Servicer and based on reports to the National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers Association of America, the following tables set forth information about delinquencies and foreclosures of mortgage loans, reported by certain mortgage servicers.

	National Delinquency Survey (defined as a percentage)			Residential Revenue Bond Program ⁽¹⁾⁽²⁾⁽⁴⁾
	U.S.A.	Maryland	Maryland	
	All Types <u>12/31/2025</u>	All Types <u>12/31/2025</u>	FHA ⁽³⁾ <u>12/31/2025</u>	Program <u>12/31/2025</u>
30 days delinquent	2.24%	2.70%	6.71%	6.86%
60 days delinquent	1.00%	1.17%	2.77%	2.45%
90 days+ delinquent	1.32%	1.78%	5.24%	4.50%
In foreclosure	0.53%	0.63%	1.26%	0.17%
Placed in foreclosure during last three months	0.20%	0.25%	0.52%	1.03%

Mortgages Sixty Days or More Delinquent or in Foreclosure

Quarter Ended	U.S.A.	Maryland	Maryland	Program ⁽¹⁾⁽²⁾
	<u>All Types</u>	<u>All Types</u>	<u>FHA ⁽³⁾</u>	<u>12/31/2025</u>
12/31/2021	3.39%	4.26%	9.12%	10.08%
12/31/2022	2.52%	3.19%	7.37%	8.91%
12/31/2023	2.23%	2.75%	6.52%	7.22%
12/31/2024	2.48%	2.89%	7.12%	6.39%
12/31/2025	2.85%	3.58%	9.27%	7.12%

Notes:

- (1) The delinquency statistics in the tables above include all whole loans financed entirely from the Bond Resolution.
- (2) The Program purchased the first Mortgage Loan on October 29, 1997.
- (3) Includes all types of FHA mortgage loans.
- (4) Program delinquency rates do not include mortgage loans residing in Collateral Reserves (C) or the Administration's refinanced (Lifeline/Homesaver) loans.

Appendix B-2

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$115,000,000 2023 Series C (Non-AMT) (Social Bonds)
\$185,000,000 2023 Series D (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	
Total Proceeds	6/30/25	Proceeds Remaining
\$304,374,084	\$284,399,083	\$19,975,000

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans (\$000)	# of Loans	Cumulative % of Proceeds Spent
50% and below	33,893	309	12%
50.1% - 60%	38,278	311	25%
60.1% - 70%	46,033	353	42%
70.1% - 80%	46,546	328	58%
80.1% - 90%	47,482	328	75%
90.1% - 100%	34,875	252	87%
100.1% - 140%	35,238	265	99%
Over 140%	2,053	19	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-3

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$75,000,000 2023 Series E (Non-AMT) (Social Bonds)
\$325,000,000 2023 Series F (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	
Total Proceeds	6/30/25	Proceeds Remaining
\$401,808,449	\$375,563,504	\$26,244,945

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans (\$000)	# of Loans	Cumulative % of Proceeds Spent
50% and below	46,092	254	12%
50.1% - 60%	48,186	227	25%
60.1% - 70%	60,457	245	41%
70.1% - 80%	59,647	237	57%
80.1% - 90%	58,436	220	73%
90.1% - 100%	47,725	181	85%
100.1% - 140%	52,656	192	99%
Over 140%	2,365	13	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-4

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$40,000,000 2024 Series A (Non-AMT) (Social Bonds)
\$210,000,000 2024 Series B (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	
Total Proceeds	6/30/25	Proceeds Remaining
\$251,328,618	\$231,828,618	\$19,500,000

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans (\$000)	# of Loans	Cumulative % of Proceeds Spent
50% and below	23,921	125	10%
50.1% - 60%	27,564	107	22%
60.1% - 70%	36,098	132	38%
70.1% - 80%	34,563	119	53%
80.1% - 90%	40,460	136	70%
90.1% - 100%	32,359	101	84%
100.1% - 140%	35,395	101	99%
Over 140%	1,468	6	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-5

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$47,375,000 2024 Series C (Non-AMT) (Social Bonds)
\$100,000,000 2024 Series D (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	
Total Proceeds	06/30/2025	Proceeds Remaining
\$150,712,999	\$140,512,999	\$10,200,000

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
50% and below	17,953	75	13%
50.1% - 60%	13,029	49	22%
60.1% - 70%	26,619	93	41%
70.1% - 80%	19,103	81	55%
80.1% - 90%	19,185	68	68%
90.1% - 100%	23,365	60	85%
100.1% - 140%	17,688	73	97%
Over 140%	3,571	13	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-6

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$40,000,000 2024 Series E (Non-AMT) (Social Bonds)
\$80,000,000 2024 Series F (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	Proceeds Remaining
Total Proceeds	06/30/2025	
\$122,783,669	\$114,583,669	\$8,200,000

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
50% and below	12,368	56	11%
50.1% - 60%	13,678	53	23%
60.1% - 70%	14,948	56	36%
70.1% - 80%	17,761	58	51%
80.1% - 90%	19,419	58	68%
90.1% - 100%	12,436	37	79%
100.1% - 140%	22,498	62	99%
Over 140%	1,475	5	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-7

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$75,975,000 2025 Series A (Non-AMT) (Social Bonds)
\$174,025,000 2025 Series B (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	
Total Proceeds	06/30/2025	Proceeds Remaining
\$252,873,135	\$235,798,135	\$17,075,000

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
50% and below	19,751	87	8%
50.1% - 60%	31,614	118	22%
60.1% - 70%	29,435	108	34%
70.1% - 80%	37,975	121	50%
80.1% - 90%	39,389	117	67%
90.1% - 100%	34,626	105	82%
100.1% - 140%	41,594	119	99%
Over 140%	1,414	5	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-8

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$45,000,000 2025 Series C (Non-AMT) (Social Bonds)
\$155,000,000 2025 Series D (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 2025.

Series Bond Proceeds Summary		
	Proceeds Spent as of	Proceeds Remaining
Total Proceeds	06/30/2025	
\$200,886,228	\$48,888,010	\$151,998,218

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
50% and below	4,551	19	9%
50.1% - 60%	5,609	25	21%
60.1% - 70%	5,360	22	32%
70.1% - 80%	8,398	30	49%
80.1% - 90%	7,237	26	64%
90.1% - 100%	7,512	31	79%
100.1% - 140%	8,794	33	97%
Over 140%	1,426	5	100%

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-9

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$95,000,000 2025 Series E (Non-AMT) (Social Bonds)
\$155,000,000 2025 Series F (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 20[___].

Series Bond Proceeds Summary		
Total Proceeds	Proceeds Spent as of ____/____/____	Proceeds Remaining
\$[]	\$[]	\$[]

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
	\$ of Loans	# of Loans	Cumulative % of Proceeds
% of AMI:			
50% and below			
50.1% - 60%			
60.1% - 70%			
70.1% - 80%			
80.1% - 90%			
90.1% - 100%			
100.1% - 140%			

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

Appendix B-10

FORM OF SOCIAL BONDS REPORTING

**COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Residential Revenue Bonds
\$60,000,000 2025 Series G (Non-AMT) (Social Bonds)
\$140,000,000 2025 Series H (Federally Taxable) (Social Bonds)**

The table below constitutes the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 20[___].

Series Bond Proceeds Summary		
Total Proceeds	Proceeds Spent as of ____/____/____	Proceeds Remaining
\$[]	\$[]	\$[]

Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”)			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
50% and below			
50.1% - 60%			
60.1% - 70%			
70.1% - 80%			
80.1% - 90%			
90.1% - 100%			
100.1% - 140%			

NOTE: As described in “APPENDIX B-2 - DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS – Post Issuance Reporting,” once all bond proceeds have been spent, no further updates will be provided.

Note: This data is updated annually as of the end of each fiscal year.

APPENDIX E

OUTSTANDING INDEBTEDNESS OF THE ADMINISTRATION

Outstanding Residential Revenue Bonds

The following table sets forth certain information relating to Bonds issued by the Administration under the Bond Resolution outstanding as of January 1, 2026.

	<u>Effective Bond Yield</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Residential Revenue Bonds					
2006 Series G	(2)	2006	9/1/2040	\$ 40,000,000	\$ 7,685,000 (1)
2006 Series J	(2)	2006	9/1/2040	60,000,000	36,270,000 (1)
2012 Series B	(2)	2012	9/1/2033	45,000,000	42,715,000 (1)(3)
2014 Series C	3.369241%	2014	9/1/2044	47,960,000	8,495,000 (1)
2014 Series E	3.395849%	2014	9/1/2040	53,205,000	7,180,000 (1)(3)
2014 Series F	(2)	2014	9/1/2044	25,000,000	23,770,000 (3)
2015 Series A	3.379090%	2015	9/1/2045	24,235,000	500,000 (1)
2016 Series A	3.401702%	2016	9/1/2047	325,800,000	136,185,000 (1)(3)
2017 Series A	3.734510%	2017	9/1/2048	263,060,000	73,575,000 (1)(3)
2018 Series A	3.958382%	2018	9/1/2048	239,565,000	19,915,000 (1)
2018 Series B	3.958382%	2018	9/1/2048	40,435,000	10,405,000 (1)
2019 Series A	3.650455%	2019	9/1/2049	140,000,000	34,800,000 (1)
2019 Series B	3.277965%	2019	9/1/2049	210,000,000	106,810,000 (1)
2019 Series C	2.940750%	2019	3/1/2050	319,580,000	195,940,000 (1)
2019 Series D	2.898117%	2019	3/1/2050	27,490,000	9,090,000 (1)(3)
2020 Series A	2.753368%	2020	3/1/2050	130,750,000	87,365,000 (1)
2020 Series D	2.344036%	2020	9/1/2050	160,000,000	111,280,000 (1)
2021 Series A	2.117790%	2021	9/1/2051	197,725,000	146,940,000 (1)
2021 Series B	2.235000%	2021	9/1/2051	170,000,000	130,200,000 (1)
2021 Series C	2.509600%	2021	9/1/2051	221,770,000	194,120,000 (1)
2021 Series D	1.620900%	2021	3/1/2027	30,000,000	9,630,000 (1)(3)
2022 Series A	4.708570%	2022	9/1/2052	111,625,000	96,570,000 (1)
2022 Series B	4.354550%	2022	9/1/2034	37,375,000	29,735,000 (1)(3)
2022 Series C	4.740098%	2022	3/1/2053	98,720,000	81,660,000 (1)(3)
2022 Series D	5.173272%	2022	3/1/2053	100,000,000	88,760,000 (1)
2023 Series A	5.100551%	2023	9/1/2053	60,000,000	55,010,000 (1)
2023 Series B	5.100551%	2023	9/1/2053	90,000,000	78,365,000 (1)(3)
2023 Series C	4.720410%	2023	9/1/2054	115,000,000	109,105,000 (1)
2023 Series D	5.683140%	2023	9/1/2053	185,000,000	169,520,000 (1)(3)
2023 Series E	5.335730%	2023	3/1/2054	75,000,000	70,450,000 (1)
2023 Series F	6.330970%	2023	9/1/2053	325,000,000	306,150,000 (1)(3)
2024 Series A	4.930500%	2024	9/1/2055	40,000,000	39,245,000 (1)
2024 Series B	6.052800%	2024	9/1/2054	210,000,000	206,300,000 (1)(3)
2024 Series C	4.891628%	2024	9/1/2055	47,375,000	46,760,000 (1)
2024 Series D	5.614846%	2024	3/1/2055	100,000,000	98,650,000 (1)(3)
2024 Series E	4.871700%	2024	9/1/2055	40,000,000	39,575,000 (1)
2024 Series F	5.801000%	2024	3/1/2055	80,000,000	79,345,000 (1)(3)
2024 Series G	3.927100%	2024	3/1/2055	408,626,774	253,421,774 (9)
2025 Series A	4.644300%	2025	3/1/2056	75,975,000	75,975,000 (1)
2025 Series B	5.768800%	2025	9/1/2055	174,025,000	173,915,000 (1)(3)
2025 Series C	5.031000%	2025	3/1/2056	45,000,000	45,000,000 (1)
2025 Series D	5.918000%	2025	9/1/2055	155,000,000	155,000,000 (1)(3)
2025 Series E	5.204100%	2025	9/1/2056	95,000,000	95,000,000 (1)
2025 Series F	5.901700%	2025	3/1/2056	155,000,000	155,000,000 (1)(3)
2025 Series G	4.862100%	2025	9/1/2056	60,000,000	60,000,000 (1)
2025 Series H	5.628400%	2025	3/1/2056	140,000,000	140,000,000 (1)(3)
2025 Series I	3.398700%	2025	3/1/2056	358,400,669	358,400,669 (10)
Total Residential Revenue Bonds				<u>\$ 6,153,697,443</u>	<u>\$ 4,499,782,443</u>

Other Outstanding Bonds of the Administration

The following table sets forth certain information relating to Bonds issued by the Administration under its other programs and outstanding as of January 1, 2026.

	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Single Family Housing Revenue Bonds				
2013 Series A (Pass-Through Program).....	2013	7/1/2043	\$ 55,987,759	\$ 9,055,734 (6)
Total Single Family Housing Revenue Bonds			<u>\$ 55,987,759</u>	<u>\$ 9,055,734</u>
	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Housing Revenue Bonds				
Series 2013 A	2013	7/1/2054	\$ 10,925,000	\$ 9,075,000
Series 2013 E	2013	7/1/2045	41,795,000	21,800,000 (2)(4)
Series 2013 F	2013	7/1/2055	16,255,000	4,995,000
Series 2014 A	2014	1/1/2055	4,805,000	2,890,000
Series 2014 B	2014	7/1/2055	3,790,000	1,095,000
Series 2014 C	2014	1/1/2046	3,700,000	1,845,000
Series 2014 D	2014	1/1/2056	10,060,000	8,625,000
Series 2015 A	2015	1/1/2057	13,395,000	7,040,000
Series 2015 B	2015	7/1/2057	48,200,000	40,245,000
Series 2016 A	2016	7/1/2058	15,730,000	6,575,000
Series 2017 A	2017	11/1/2058	18,720,000	13,710,823 (8)
Series 2017 B	2017	3/1/2059	12,000,000	5,790,278 (8)
Series 2017 C	2017	7/1/2059	28,755,000	16,440,000
Series 2018 A	2018	1/1/2060	42,430,000	23,320,000
Series 2019 A	2019	1/1/2061	14,715,000	10,875,000
Series 2019 B	2019	1/1/2061	10,040,000	9,345,000
Series 2019 C	2019	7/1/2061	19,665,000	13,735,000
Series 2019 D	2019	7/1/2061	30,440,000	28,560,000
Series 2019 E	2019	7/1/2061	6,020,000	2,580,000
Series 2020 A	2020	7/1/2062	10,315,000	9,750,000
Series 2020 C	2020	7/1/2062	19,350,000	8,795,000
Series 2020 D	2020	7/1/2062	11,485,000	8,135,000
Series 2020 E	2020	7/1/2062	23,860,000	20,805,000
Series 2021 A	2021	7/1/2063	13,605,000	13,055,000
Series 2021 B	2021	1/1/2041	11,395,000	10,860,000
Series 2021 C	2021	7/1/2064	44,585,000	28,090,000
Series 2022 A	2022	1/1/2042	23,270,000	17,640,000
Series 2022 B	2022	7/1/2064	6,465,000	3,550,000
Series 2022 C	2022	7/1/2042	11,555,000	9,345,000
Series 2023 A	2023	1/1/2065	17,205,000	8,350,000
Series 2023 B	2023	7/1/2043	25,575,000	18,175,000
Series 2023 C	2023	7/1/2065	25,880,000	14,810,000
Series 2023 D	2023	1/1/2066	29,920,000	12,545,000
Series 2023 E	2023	7/1/2043	14,605,000	12,195,000
Series 2024 A	2024	7/1/2066	14,765,000	14,765,000
Series 2024 B	2024	1/1/2068	40,890,000	40,890,000
Series 2024 C	2024	1/1/2028	1,565,000	1,565,000
Series 2024 D	2024	1/1/2067	58,205,000	58,205,000
Series 2024 E	2024	1/1/2067	27,550,000	27,550,000
Series 2025 A	2025	7/1/2067	21,520,000	21,520,000
Series 2025 B	2025	7/1/2067	14,465,000	14,465,000
Series 2025 C	2025	7/1/2067	48,470,000	48,470,000
Series 2025 D	2025	7/1/2045	7,420,000	7,420,000
Total Housing Revenue Bonds			<u>\$ 875,360,000</u>	<u>\$ 659,491,101</u>

Other Outstanding Bonds of the Administration

	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Multi-Family Mortgage Revenue Bonds				
Series 2010 A (New Issue)	2010	7/1/2030	\$ 8,410,000	\$ 2,700,000
Series 2009 A-1 (Released Program Bonds)	2010	7/1/2051	24,380,000	24,380,000
Series 2010 B (New Issue)	2010	7/1/2045	16,730,000	2,425,000
Series 2009 A-2 (Released Program Bonds)	2010	7/1/2051	6,610,000	1,880,000
Series 2009 A-3 (Released Program Bonds)	2010	1/1/2044	5,410,000	3,955,000 (5)
Series 2010 D (New Issue)	2010	1/1/2035	6,880,000	3,065,000
Series 2009 A-4 (Released Program Bonds)	2010	7/1/2051	10,760,000	10,760,000
Series 2011 A (New Issue)	2011	7/1/2026	2,190,000	100,000
Series 2009 A-5 (Released Program Bonds)	2011	7/1/2051	8,460,000	8,460,000
Series 2011 B (New Issue)	2011	1/1/2028	8,680,000	550,000
Series 2009 A-6 (Released Program Bonds)	2011	7/1/2051	13,230,000	13,230,000
Series 2011 C (New Issue)	2011	7/1/2051	16,685,000	9,100,000
Series 2009 A-7 (Released Program Bonds)	2011	7/1/2051	23,190,000	23,190,000
Total Multi-Family Mortgage Revenue Bonds			\$ 151,615,000	\$ 103,795,000
Local Government Infrastructure Bonds				
2012 Series A-1 (Senior Obligations)	2012	6/1/2032	\$ 9,550,000	\$ 1,360,000
2012 Series A-2 (Subordinate Obligations)	2012	6/1/2032	4,420,000	700,000
2012 Series B-1 (Senior Obligations)	2012	6/1/2032	14,900,000	2,425,000
2012 Series B-2 (Subordinate Obligations)	2012	6/1/2032	6,855,000	995,000
2013 Series A-1 (Senior Obligations)	2013	6/1/2043	14,660,000	830,000
2013 Series A-2 (Subordinate Obligations)	2013	6/1/2043	6,720,000	695,000
2014 Series A-1 (Senior Obligations)	2014	6/1/2034	27,605,000	4,105,000
2014 Series A-2 (Subordinate Obligations)	2014	6/1/2034	12,720,000	2,320,000
2015 Series A-1 (Senior Obligations)	2015	6/1/2045	13,215,000	6,660,000
2015 Series A-2 (Subordinate Obligations)	2015	6/1/2045	5,650,000	2,850,000
2016 Series A-1 (Senior Obligations)	2016	6/1/2036	18,020,000	7,705,000
2016 Series A-2 (Subordinate Obligations)	2016	6/1/2036	7,715,000	3,305,000
2017 Series A-1 (Senior Obligations)	2017	6/1/2047	27,310,000	16,450,000
2017 Series A-2 (Subordinate Obligations)	2017	6/1/2047	11,725,000	7,065,000
2018 Series A-1 (Senior Obligations)	2018	6/1/2048	4,535,000	3,160,000
2018 Series A-2 (Subordinate Obligations)	2018	6/1/2048	1,925,000	1,340,000
2019 Series A-1 (Senior Obligations)	2019	6/1/2049	11,340,000	9,860,000
2019 Series A-2 (Subordinate Obligations)	2019	6/1/2049	4,875,000	4,240,000
2019 Series B-1 (Senior Obligations)	2019	6/1/2049	11,810,000	9,450,000
2019 Series B-2 (Subordinate Obligations)	2019	6/1/2049	5,260,000	4,245,000
2020 Series A-1 (Senior Obligations)	2020	6/1/2049	16,740,000	12,380,000
2020 Series A-2 (Subordinate Obligations)	2020	6/1/2049	7,470,000	5,600,000
2021 Series A-1 (Senior Obligations)	2021	6/1/2051	18,980,000	17,050,000
2021 Series A-2 (Subordinate Obligations)	2021	6/1/2051	8,170,000	7,360,000
2023 Series A-1 (Senior Obligations)	2023	6/1/2043	15,475,000	14,430,000
2023 Series A-2 (Subordinate Obligations)	2023	6/1/2043	7,050,000	6,590,000
2024 Series A-1 (Senior Obligations)	2024	6/1/2054	24,005,000	23,315,000
2024 Series A-2 (Subordinate Obligations)	2024	6/1/2054	10,750,000	10,425,000
2025 Series A-1 (Senior Obligations)	2025	6/1/2045	8,085,000	8,085,000
2025 Series A-2 (Subordinate Obligations)	2025	6/1/2045	3,655,000	3,655,000
Total Local Government Infrastructure Bonds			\$ 341,190,000	\$ 198,650,000

Other Outstanding Bonds of the Administration

			<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Multifamily Development Revenue Bonds						
Series	2006	A (Barclay Greenmount Apartments).....	2006	4/1/2035	\$ 4,535,000	\$ 2,065,000
Series	2007	A (Brunswick House Apartments).....	2007	10/1/2037	3,000,000	1,705,000
Series	2007	B (Park View at Catonsville).....	2007	12/1/2037	5,200,000	4,545,000 (2)
Series	2008	B (Shakespeare Park Apartments).....	2008	5/1/2038	7,200,000	7,200,000 (2)
Series	2008	C (The Residences at Ellicott Gardens)....	2008	12/1/2040	9,105,000	6,175,000 (2)
Series	2008	D (Crusader Arms Apartments).....	2008	2/1/2041	3,885,000	2,660,000 (2)
Series	2008	E (Monte Verde Apartments).....	2008	3/1/2041	15,200,000	12,600,000 (2)
Series	2012	A (Park View at Bladensburg).....	2012	12/1/2030	3,500,000	2,375,000
Series	2013	G (Glen Manor Apartments).....	2013	1/1/2031	13,640,000	10,520,000
Series	2014	I (Marlborough Apartments).....	2014	12/15/2031	27,590,000	19,915,000
Series	2015	D (Cumberland Arms Apartments).....	2015	9/1/2032	6,315,000	3,110,000
Series	2017	G (Bolton North).....	2017	9/15/2034	25,200,000	21,565,000
Series	2021	C-1 (PV at Ellicott City II).....	2021	11/1/2038	7,115,000	6,767,722
Series	2021	D-1 (PV at Furnace Branch).....	2021	11/1/2038	9,505,000	9,041,067
Series	2021	E-1 (PV at Snowden River).....	2021	11/1/2038	7,750,000	7,371,727
Series	2021	F (Homes at Oxon Hill).....	2021	7/1/2043	24,660,000	24,557,122
Series	2022	B-1 (Weinberg Place Apartments).....	2022	6/1/2040	18,790,000	18,727,376
Series	2022	E-1 (Roslyn Rise).....	2022	3/1/2043	14,975,000	14,975,000
Series	2023	B (Morris H. Blum Senior Apartments)....	2023	3/1/2026	27,950,000	27,950,000
Series	2024	A (Greenmount Park Apartments).....	2024	6/1/2026	26,500,000	26,500,000
Series	2024	B (Patuxent Commons).....	2024	8/1/2026	22,920,000	22,920,000
Series	2024	C (Walker Mews).....	2024	4/1/2042	22,620,000	22,415,000
Series	2024	D-1 (Villages at Marley Station).....	2024	2/1/2044	98,810,000	98,810,000
Series	2024	D-2 (Villages at Marley Station).....	2024	1/1/2029	79,190,000	79,190,000
Series	2024	E (Beacon House Square).....	2024	7/1/2027	19,455,000	19,455,000
Series	2025	A (Ranleigh Court).....	2025	3/1/2027	21,440,000	21,440,000
Series	2025	B (Essex Co-Op Apartments).....	2025	5/1/2027	27,995,000	27,995,000
Series	2025	C-1 (Park Place at Addison Road Metro)....	2025	2/1/2046	27,915,000	27,915,000
Series	2025	C-2 (Park Place at Addison Road Metro)....	2025	1/1/2029	16,510,000	16,510,000
Series	2025	D (Hopkins Village Apartments).....	2025	7/1/2042	26,610,000	26,610,000
Series	2025	E (Weinberg House).....	2025	12/1/2027	16,565,000	16,565,000
Series	2025	G (Holly Lane Apartments).....	2025	10/1/2027	28,220,000	28,220,000
Series	2025	F-1 (New Carrollton Senior Phase-1).....	2025	6/1/2046	16,015,000	16,015,000
Series	2025	F-2 (New Carrollton Senior Phase-1).....	2025	11/1/2028	1,620,000	1,620,000
Series	2025	H (Wiley H. Bates Apartments).....	2025	11/1/2027	16,735,000	16,735,000
Series	2025	I-1 (Belvedere Place Apartments).....	2025	2/1/2044	7,235,000	7,235,000
Series	2025	I-2 (Belvedere Place Apartments).....	2025	1/1/2028	15,015,000	15,015,000
Total Multifamily Development Revenue Bonds					\$ 726,485,000	\$ 694,990,014

			<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount of Note</u>	<u>Amount Outstanding</u>
Multifamily Notes (7)						
		Victory Crossing - Freddie TEL	2016	6/1/2037	\$ 7,675,000	\$ 7,031,381
		Riviera Apartments - Freddie TEL	2017	6/1/2034	2,430,000	2,232,998
		Momentum at Shady Grove Metro - Freddie TEL	2018	1/1/2039	12,900,000	12,458,140
		Victory Haven - Freddie TEL	2018	7/1/2037	6,080,000	5,909,720
		J.Van Story Branch Apartments - Freddie TEL	2018	6/1/2039	18,604,000	17,795,260
		Silver Spring Artspace Lofts - Freddie TEL	2019	1/1/2037	8,100,000	7,692,590
		Greenmount and Chase - Freddie TEL	2019	8/1/2036	1,790,000	1,710,538
		Glenarden Hills 2 - Freddie TEL	2019	1/1/2039	5,562,000	5,320,289
		Ox Fibre Apartments - Freddie TEL	2020	4/1/2037	11,030,000	10,529,761
		Windsor and Main - Freddie TEL	2020	5/1/2039	5,500,000	5,265,699
		Hollander Ridge - Freddie TEL	2020	5/1/2040	6,850,000	6,597,665

Other Outstanding Bonds of the Administration

	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Amount of Note</u>	<u>Amount Outstanding</u>
Multifamily Notes continued				(7)
Knowles Manor - Freddie TEL	2020	8/1/2040	\$ 13,975,000	\$ 13,590,127
Suitland - Freddie TEL	2020	4/1/2041	19,100,000	18,527,306
Snowden's Ridge Apartments - Freddie TEL	2020	1/1/2038	21,100,000	19,780,940
Newtowne 20 - Freddie TEL	2020	7/1/2041	9,350,000	9,105,440
Rye Street Apartments - Freddie TEL	2020	1/1/2042	73,500,000	73,500,000
Hillbrooke Towers - Freddie TEL.....	2021	8/1/2040	6,772,000	6,610,098
525 Aisquith Apartments - Freddie TEL.....	2021	1/1/2042	14,023,000	13,880,347
420 Aisquith Apartments - Freddie TEL.....	2021	6/1/2041	7,525,000	7,454,221
Hillwood Manor - Freddie TEL.....	2021	7/1/2041	10,300,000	10,173,815
Sandy Spring Sr. Village - Freddie TEL	2022	3/1/2039	7,215,000	7,195,158
Woodland Gardens II - Freddie TEL.....	2022	10/1/2039	1,085,000	1,071,964
Cain Commons (St.Anne's Senior Apartments)-Freddie TEL..	2022	11/1/2041	8,956,000	8,934,459
Frederick Road Senior Apartments - Freddie TEL.....	2022	12/1/2041	16,633,000	16,572,055
Residences at Springbrook - Freddie TEL.....	2022	1/1/2040	8,707,000	8,697,436
Perkins Phase I - Freddie TEL.....	2022	1/1/2042	13,500,000	13,493,399
Highlandtown Plaza CO-OP - Freddie TEL.....	2022	1/1/2042	1,425,000	1,413,984
Guardian House - Freddie TEL.....	2022	8/1/2042	6,025,000	6,019,549
Cold Spring Lane - Freddie TEL.....	2022	9/1/2042	14,080,000	14,080,000
4010 Randolph Road - Freddie TEL.....	2022	12/1/2040	41,555,000	41,555,000
Autumn Woods - Freddie TEL.....	2022	1/1/2041	61,330,000	61,330,000
Glenarden Hills Phase 3 - Freddie TEL.....	2022	1/1/2043	21,150,000	21,150,000
Perkins Phase II B - Freddie TEL.....	2022	7/1/2042	16,350,000	16,350,000
Residences at Forest Glen 4 - Freddie TEL.....	2023	2/1/2044	33,790,000	33,790,000
Charles Landing - Freddie TEL.....	2023	2/1/2040	9,050,000	8,652,662
Willows At Salisbury - Freddie TEL.....	2023	10/1/2040	3,304,000	3,304,000
Bon Secourts Apartments - Freddie TEL.....	2023	8/1/2042	10,260,000	10,260,000
Hill House at Beechfield - Freddie TEL.....	2023	8/1/2041	28,275,000	28,275,000
North Frederick Apartments - Freddie TEL.....	2023	4/1/2043	17,280,000	17,280,000
Park Montgomery Apartments - Freddie TEL.....	2023	4/1/2043	30,350,000	30,350,000
Sligo Apartments 4 - Freddie TEL.....	2023	5/1/2041	14,160,000	13,352,002
Flats at College Park - Freddie TEL.....	2023	12/1/2043	65,500,000	63,767,744
North Odenton - Freddie TEL.....	2023	1/1/2042	14,815,000	13,790,932
Perkins Homes Phase III - Freddie TEL.....	2023	1/1/2045	32,400,000	32,400,000
Overlook East - Freddie TEL.....	2024	8/1/2041	15,940,000	15,455,341
Foxwell Memorial - Freddie TEL.....	2024	5/1/2043	16,530,000	16,430,000
Residences at Irvington Woods - Freddie TEL.....	2024	6/1/2043	11,500,000	11,500,000
Amber Commons - Long Term - Freddie TEL.....	2024	8/1/2040	37,720,000	37,720,000
Amber Commons - Short Term - Freddie TEL.....	2024	2/1/2027	11,685,000	11,685,000
Nebel Street Apartment 4 - Freddie TEL.....	2024	9/1/2045	35,035,000	8,031,096
Waverly Winds - Freddie TEL.....	2025	3/1/2045	15,000,000	3,785,646
Perkins Homes Phase IVB - Freddie TEL.....	2025	4/1/2045	25,185,000	2,531,840
1910 University Senior Housing - Freddie TEL.....	2025	1/1/2045	20,700,000	7,211,135
Keys Pointe 2A - Freddie TEL.....	2025	7/1/2043	17,400,000	2,298,093
The Highlands - Freddie TEL.....	2025	8/1/2043	19,305,000	50,001
Townes at the Terraces - Freddie TEL.....	2025	12/1/2043	46,500,000	7,201,422
NoBe - Freddie TEL.....	2025	12/1/2045	57,055,000	2,792,026
Total Multifamily Notes.....			\$ 1,068,916,000	\$ 854,943,274

Other Outstanding Bonds of the Administration

Total Amount of Other Bonds and Notes Outstanding	<u>\$ 3,219,553,759</u>	<u>\$ 2,520,925,123</u>
Total Amount of Residential Revenue Bonds Outstanding (11)	<u>\$ 6,153,697,443</u>	<u>\$ 4,499,782,443</u>
Total Amount of All Bonds and Notes Outstanding	<u><u>\$ 9,373,251,202</u></u>	<u><u>\$ 7,020,707,566</u></u>

- (1) Certain prepayments of mortgage loans financed with the proceeds of such series of bonds are to be applied first to the redemption of certain bonds within such series.
- (2) These are variable rate bonds that are repriced according to the terms in the respective Official Statement.
- (3) These are taxable bonds with redemption provisions pertaining only to these bonds. For a description of the redemption provisions refer to the Official Statement.
- (4) These are taxable bonds.
- (5) Multi-Family Mortgage Revenue Bonds Series 2009 A-3 are non-parity bonds under this bond resolution. These bonds are special obligations payable solely from the trust estate pledged under the series resolution.
- (6) These pass-through bonds are subject to mandatory payment, without premium, on the first day of each month from scheduled principal payments and prepayments. For a description of the principal payment and redemption provisions refer to the Official Statement.
- (7) These are Freddie Mac tax-exempt loans (Freddie TEL) with CDA as the governmental lender and Wilmington Trust, National Association, as the fiscal agent.
- (8) These bonds are stand-alone non-parity bonds under the Bond Resolution pledged solely from the trust estate pledged under the applicable series resolution and not from revenues or other amounts pledged to parity bonds. These bonds are pass-through bonds and are subject to mandatory payment, without premium, on the first day of each month from scheduled principal payments and prepayments. For a description of the principal payment and redemption provisions refer to the Official Statements for these bonds.
- (9) The 2024 Series G Bonds are subject to mandatory tender on the following dates: (i) July 1, 2025 with respect to the 2024 Series G-1 and G-5 Bonds, (ii) November 1, 2025 with respect to the 2024 Series G-2 and G-6 Bonds, (iii) December 1, 2025 with respect to the 2024 Series G-3 and G-7 Bonds, and (iv) February 1, 2026 with respect to the 2024 Series G-4 and G-8 Bonds. The Administration expects to refund each such sub-series of 2024 Series G Bonds on or before its respective mandatory tender date.
- (10) The 2025 Series I Bonds are subject to mandatory tender on January 1, 2027 with respect to the 2025 Series I-1 and I-2 Bonds. The Administration expects to refund each such sub-series of 2025 Series I Bonds on or before its respective mandatory tender date.
- (11) See information under caption "Outstanding Residential Revenue Bonds" above.

For updated information on issuances and/or redemptions after January 1, 2026, please refer to the website www.dhcd.maryland.gov, Investors.

Appendix F
Community Development Administration
Residential Revenue Bonds
Ten Year Rule Percentages

Bond Series	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034
2006 Series E/F/G	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2006 Series H/I/J	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2014 Series A/B	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2014 Series C/D	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2015 Series A	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2018 Series A/B	53.60%	53.60%	53.60%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2019 Series A	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2019 Series B	3.24%	3.24%	3.24%	4.33%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2019 Series C	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2020 Series A/B	12.99%	12.99%	12.99%	16.73%	22.46%	100.00%	100.00%	100.00%	100.00%	100.00%
2020 Series D	14.01%	14.01%	14.01%	18.01%	26.19%	100.00%	100.00%	100.00%	100.00%	100.00%
2021 Series A	60.27%	60.27%	60.27%	73.64%	98.71%	100.00%	100.00%	100.00%	100.00%	100.00%
2021 Series B	12.73%	12.73%	12.73%	15.69%	60.68%	67.03%	100.00%	100.00%	100.00%	100.00%
2021 Series C	17.29%	17.29%	17.29%	18.32%	41.68%	43.39%	100.00%	100.00%	100.00%	100.00%
2022 Series A	7.84%	7.84%	7.84%	12.98%	43.46%	48.07%	49.16%	100.00%	100.00%	100.00%
2022 Series D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%
2023 Series A	2.49%	2.49%	2.49%	3.63%	10.39%	11.81%	12.06%	80.21%	100.00%	100.00%
2023 Series C	9.17%	9.17%	9.17%	11.89%	33.18%	41.56%	45.65%	97.33%	100.00%	100.00%
2023 Series E	3.10%	3.10%	3.10%	4.53%	12.96%	14.73%	15.04%	100.00%	100.00%	100.00%
2024 Series A	4.78%	4.78%	4.78%	6.58%	17.03%	20.96%	22.78%	51.27%	96.79%	100.00%
2024 Series C	16.14%	16.14%	16.14%	19.68%	60.11%	74.95%	83.98%	95.68%	96.12%	100.00%
2024 Series E	4.94%	4.94%	4.94%	6.79%	17.59%	21.66%	23.54%	52.98%	100.00%	100.00%
2025 Series A	13.58%	13.58%	13.58%	19.40%	50.61%	60.90%	68.50%	80.56%	83.80%	97.43%
2025 Series C	1.45%	1.45%	1.45%	1.99%	5.15%	6.34%	6.89%	15.50%	29.26%	100.00%
2025 Series E	10.52%	10.52%	10.52%	13.92%	39.77%	48.19%	53.25%	65.89%	71.60%	97.12%
2025 Series G	1.38%	1.38%	1.38%	1.90%	4.93%	6.07%	6.60%	14.85%	28.03%	95.80%
2025 Series I	1.02%	1.02%	1.02%	1.41%	3.64%	4.48%	4.87%	10.96%	20.69%	70.71%

Percentage represents the amount of each repayment of principal and prepayment received in each series which must be used to pay the principal portion of debt service or redempted principal of that series. Percentages are requirements as of December 31 of each year.

APPENDIX G

MORTGAGE INSURANCE AND
GUARANTY PROGRAMS

APPENDIX G

MORTGAGE INSURANCE AND GUARANTY PROGRAMS

FHA MORTGAGE INSURANCE PROGRAM, VA HOME LOAN GUARANTY PROGRAM, USDA/RD MORTGAGE GUARANTY PROGRAM, PRIVATE MORTGAGE INSURANCE PROGRAM AND THE MHF INSURANCE PROGRAM

Introduction

The Administration has prepared the following description of the FHA Mortgage Insurance Program, the VA Home Loan Guaranty Program, the USDA/RD Mortgage Guaranty Program, and private mortgage insurance. This description is only a brief outline and does not purport to summarize or describe all of the provisions of these programs, and the Administration does not warrant or represent the accuracy or completeness of such description. For a more complete description of the terms of this program, reference is made to the provisions of the insurance and guaranty contracts embodied in the regulations of FHA, VA and USDA/RD, respectively, and of the regulations, master insurance contracts and other such applicable information for those programs and for applicable private mortgage insurance. Credit Enhancement for Mortgage Loans made or purchased by the Administration with the proceeds is limited by the Bond Resolutions to insurance under the FHA Mortgage Insurance Program, the VA Home Loan Guaranty Program, the USDA/RD Guarantee Program, and private mortgage insurance (described below). In addition, Mortgage Loans may be insured by the Maryland Housing Fund. See THE MHF INSURANCE PROGRAM below. Moreover, Mortgage Loans with a loan-to-value ratio of 80% or less are not required to have a credit enhancement as described above. If a Mortgage Loan without credit enhancement is supported by secondary financing, then such financing must be acceptable to the Administration. The secondary financing may include, for example, certain grants or loans from governmental or non-profit entities; any loans must be non-amortizing or amortize at an interest rate below the market rate. However, the Bond Resolution does not require that a Mortgage Loan financed in the future be secured by Credit Enhancement. Credit Enhancement of all or a portion of a Mortgage Loan, if any, will be provided in accordance with the provisions therefor set forth in the Series Resolution authorizing a particular Series of Bonds. Credit Enhancement of Mortgage Loans includes (but is not limited to) any credit enhancement, insurance, guaranty, risk-sharing arrangement or any other form of credit support for a Mortgage Loan (or any portion thereof) as provided in any Series Resolution or Supplemental Resolution and it is possible that insurance benefits under other federal, State or private programs in which the Administration may participate could have different terms.

FHA Mortgage Insurance Program

Section 221 and Section 203 of the National Housing Act, as amended (the "Housing Act"), authorize the FHA to insure mortgage loans of up to 40 years for the purchase of one to four family dwelling units, or 30 years if the mortgage is not approved for insurance prior to construction. Section 234 of the Housing Act authorizes the FHA to insure mortgage loans of up to 35 years for the purchase of one-family dwelling units in multi-family condominium projects. The regulations promulgated to implement the Housing Act provide for insurance of mortgage loans for up to 30 years.

Mortgage Loans shall bear interest at a rate agreed upon by the mortgagee and Borrower. Mortgage Loans under any of the foregoing programs must be in conformity with the maximum mortgage loan amount limitations and minimum downpayment requirements specified in the Housing Act and the

regulations promulgated thereunder. In addition, the Borrower must establish to the satisfaction of FHA that his or her income is adequate to meet the periodic payments required on the mortgage loan.

FHA permits the fully insured Mortgage Loan amount to include not only the up-front mortgage insurance premium, but, under certain circumstances, certain closing costs and other costs as well. Furthermore, through the FHA Section 203(k) Program, FHA will insure certain loans for up to 110 percent of the expected after-rehabilitation value of the property, plus permitted closing costs.

Under the terms of the foregoing program, the mortgagee, upon a default by the Borrower, is required to take certain actions, and is subject to certain limitations, before the mortgagee is entitled to initiate foreclosure proceedings or to claim insurance benefits. The mortgagee is subject to certain requirements and limitations, including the following: (1) the mortgagee must give notice of default to the Borrower and make reasonable efforts to conduct a face-to-face interview with the Borrower; (2) the mortgagee is required to undertake a pre-foreclosure review to ensure compliance with applicable requirements; and (3) the mortgagee may not commence foreclosure until at least three full monthly installments are in default. In addition, various types of forbearance may be required, including a reduction in mortgage payments, recasting the mortgage to reduce payments, temporary mortgage assistance payments, or pre-foreclosure sale. The mortgage also is subject to reinstatement until completion of foreclosure proceedings. The Housing Act gives discretionary authority to the Secretary of the United States Department of Housing and Urban Development (“HUD”) to settle claims for insurance benefits for insured mortgages either in cash or debentures; claim payments currently are being made in cash. HUD debentures bear interest at the rate in effect as of the time of origination of the mortgage loan or when the mortgage loan is endorsed, whichever rate is higher.

Insurance benefits are paid on foreclosure and conveyance of title. The amount of benefits paid by FHA on conveyed properties, except in certain circumstances as described below, is equal to the unpaid principal amount of the mortgage loan plus certain tax, insurance and other payments made by the mortgagee, a percentage of any foreclosure expenses incurred by the mortgagee, which percentage shall be determined in accordance with such terms as HUD shall prescribe, and reasonable expenses incurred by the mortgagee for the preservation, protection and operation of the properties prior to conveyance, as well as interest from date of default at a rate equivalent to the debenture interest rate (which may be less than the interest rate of the insured mortgage loan), less certain amounts received or retained by the mortgagee in respect of the mortgaged property.

When any property to be conveyed to the FHA has been damaged by fire, earthquake, flood or tornado, it is generally required, as a condition to payment of an insurance claim, that such property be repaired by the mortgagee prior to such conveyance.

VA Home Loan Guaranty Program

The Servicemen’s Readjustment Act of 1944, as amended, permits a veteran (or in certain instances, the veteran’s spouse) to obtain a loan guarantee by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit at interest rates permitted by the VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guarantee of mortgage loans with terms of up to 30 years and 32 days. VA will guarantee up to 50 percent of a home loan up to \$45,000. For loans between \$45,000 and \$144,000, the minimum guaranty amount is \$22,500; and the maximum guaranty is up to 40 percent of the loan, up to \$36,000, subject to the amount of entitlement a veteran has available. For loans of more than \$144,000 the maximum guaranty is the lesser of 25 percent of the loan or the dollar amount that is equal to 25 percent of the Federal Home Loan Mortgage Corporation conforming loan limitation determined under Section 505(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a single-family residence, as adjusted

for the year involved. The liability on the guarantee is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guarantee exceed the amount of the original guarantee. Notwithstanding the dollar and percentage limitations of the guarantee, a mortgage lender will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater than the original guarantee, as adjusted. The VA may, at its option and without regard to the guarantee, make full payment to a mortgage lender of unsatisfied indebtedness on a mortgage upon its assignment to the VA.

USDA/RD Mortgage Guarantee Program

The Cranston-Gonzalez National Affordable Housing Act of 1990 authorized the establishment of the USDA/RD Guaranteed Rural Housing Loan Program. Households with annual incomes at or below one hundred fifteen percent (115%) of median area income are eligible for these loans, subject to the geographic restrictions described below. Households with annual incomes at or below eighty percent (80%) of the area median income may be eligible for interest assistance, in addition to the loan guarantee. The interest assistance paid monthly by USDA/RD to the loan servicer reduces the borrower's effective interest rate. The amount of interest rate reduction is dependant upon the households' annual income, which is re-certified by the loan servicer annually. No funds currently are available for interest assistance.

The USDA/RD Guaranteed Rural Housing Loan Program is limited to only certain rural areas of the State. Any city, place, town or village with a population not exceeding 20,000, based on the most recent decennial census, will be considered rural.

The USDA/RD guaranty covers the lesser of (a) any loss equal to ninety percent (90%) of the original principal amount of the loan or (b) any loss in full up to thirty-five percent (35%) of the original principal amount of the loan plus any additional loss on the remaining sixty-five (65%) to be shared approximately eighty-five percent (85%) by USDA/RD and approximately fifteen percent (15%) by the mortgagee.

USDA/RD does not accept conveyance of the property, but rather pays the lender's claim upon foreclosure. The claim payment includes certain actual costs incurred by the lender prior to foreclosure, including interest expense, and an allowance for the costs associated with liquidating the property. The claim payment amount is based on the net sales proceeds if the property is sold within six (6) months, or if no sale occurs within six (6) months, the claim payment amount is determined according to a formula based upon an appraisal of the property performed by USDA/RD. The lender's actual disposition costs may be higher than the USDA/RD claim payment.

Private Mortgage Insurance

Each private mortgage insurance policy with respect to a Mortgage Loan must contain provisions substantially as follows: (a) the mortgage insurer must pay a claim, including unpaid principal, accrued interest, the amounts equal to deferred interest in connection with Mortgage Loans with graduated payments schedules, if any, and expenses, within sixty days of presentation of the claim by the Administration; (b) when a claim for the outstanding principal amount, accrued interest and expenses is presented, the mortgage insurer must either (i) pay such claim in full and take title to the mortgaged property and arrange for its sale or (ii) pay the insured percentage of such claim and allow the Administration to retain title to the mortgaged property or (iii) settle a claim for actual losses where such losses are less than the insured percentage of the claim. (See the "Homeowners Protection Act" below for a discussion of federal legislation that affects private mortgage insurance.) *Recent rating agencies' reviews of private mortgage insurers may be indicative of some future inability of these insurers generally*

to fulfill in full their obligations, if and when required upon a mortgage default, to make timely payments on policies. The Administration makes no representation regarding the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payments to the Administration on Mortgage Loans on which losses are incurred.

Homeowners Protection Act

The Homeowners Protection Act of 1998 (the “Homeowners Protection Act”) permits a borrower to cancel private mortgage insurance (for which the borrower pays the premium) on the date on which the principal balance of the mortgage loan is scheduled to reach 80% of the original value of the residence or on the date on which the principal balance actually reaches 80% of the original value of the residence. The original value is the lesser of the sales price or the appraised value at the time the mortgage loan transaction was consummated. In order to effect such cancellation, the borrower must request in writing that the cancellation be initiated, must have a good payment history with respect to the mortgage loan (i.e., no mortgage payment was, during the year beginning two years prior to cancellation, 60 or more days delinquent, and no mortgage payment was, during the year beginning one year prior to cancellation, 30 or more days delinquent), and must satisfy any requirements of the lender for evidence that the value of the residence has not declined below its original value and for certification that the borrower’s equity in the residence is not encumbered by a subordinate loan. This Homeowners Protection Act further provides for automatic termination of mortgage insurance on the date on which the principal balance of the mortgage loan is schedule to reach 78% of the original value of the residence, or if the borrower is not then current on his mortgage loan payments, on the date on which the borrower subsequently becomes current on such payments. These termination and cancellation provisions do not apply to mortgage loans characterized as high risk loans. Even if the private mortgage insurance is not canceled or terminated as described above, private mortgage insurance must be terminated on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan if the mortgagor is then current on his mortgage loan payments. This Homeowners Protection Act also requires that borrowers be provided with certain disclosures and notices regarding termination and cancellation of private mortgage insurance. This Homeowners Protection Act applies to mortgage loans closed on or after July 29, 1999.

This Homeowners Protection Act applies to insurance provided by the Maryland Housing Fund as well as private mortgage insurance described above.

In addition to termination and cancellation rights available to the borrower under the Homeowners Protection Act, the Administration also permits a borrower to request cancellation of private mortgage insurance or insurance through the Maryland Housing Fund for loans made after January 1, 2005, provided that: (1) the loan balance is 75% or less of the current value of the home as established by a new appraisal acceptable to the Administration; (2) none of the borrower’s payments were 30 days or more past due within the 12-month period before the mortgage insurance will be cancelled; (3) none of the borrower’s payments were 60 days or more past due during the 24-month period before the mortgage insurance will be cancelled; and (4) the loan is between two and five years old. If the loan is more than five years old, the loan balance may be 80% (instead of 75%) or less of the current value of the home as established by a new appraisal acceptable to the Administration; conditions (2) and (3) also apply.

THE MHF INSURANCE PROGRAM

The following describes the mortgage insurance programs administered by the Maryland Housing Fund (“MHF”) pursuant to Section 3-201 through 3-208 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “MHF Statute”), and is qualified in its entirety by reference to the MHF Statute and the regulations thereunder (the “MHF Regulations”).

MHF was created in 1971 as a special insurance fund of the State of Maryland and is a governmental unit in the Division of Credit Assurance of the Department. MHF is authorized to insure mortgage loans, including mortgage loans for multifamily developments financed by public agencies such as the Administration (“Multifamily loans”), to provide primary insurance for single family mortgage loans (“Single Family loans”), and to provide credit enhancement for loans to businesses (“Business loans”). MHF insures against certain monetary losses incurred as a result of nonpayment of principal, interest or other sums agreed to be paid and certain other events of default under the terms of any insured loan, but does not insure against property losses, including without limitation, title risk, risks of defective construction or casualty, or any other reduction in project value due to insurable risk or force majeure, casualty or title loss.

In early 1997, the Department suspended all insurance activity of MHF (except for pool insurance for certain Single Family loans), partly as a result of concerns expressed by Moody’s Investors Service (“Moody’s”) during the 1996 and 1997 rating review. The Department responded to Moody’s concerns and has consulted with Moody’s regarding the implementation of certain MHF’s insurance programs. MHF continues to service active insured loans originated prior to 1997 and is operating the insurance programs described below.

Multifamily Loan Programs

MHF insures mortgage loans under a group home loan program known as “SHOP” (Special Housing Opportunities Program) that finance or refinance the acquisition, construction or rehabilitation of shared living and related facilities for the special needs population, which are owned by and sponsored by nonprofit organizations. This is an active program with loans funded through the Administration and insured by MHF.

The Administration is a participant in the Federal Housing Administration’s (“FHA”) Risk-Sharing Program (the “FHA Risk-Sharing Program”) for multifamily loans. As a Level I participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, the Administration would be responsible for reimbursement to FHA of up to 50% of such claim. As a Level II participant, the Administration would be responsible for reimbursement to FHA of up to 25% of such claim. The Administration expects that MHF would reimburse the Administration for its share of such losses, pursuant to a commitment letter issued by MHF to the Administration in connection with each loan. Between 1997 and 2004, the Administration participated in the FHA Risk-Sharing Program only in connection with the refinancing of loans then insured by MHF where the Administration was able to decrease the dollar amount of MHF’s insurance exposure with respect to such loans. In 2004, the Department expanded its MHF insurance program for new loans funded through the Administration with credit enhancement under the FHA Risk-Sharing Program.

MHF has also provided mortgage insurance for short term loans made by the Administration pursuant to the Tax Credit Bridge Loan Insurance program. For a project which qualifies for federal low income housing tax credits, MHF provides limited insurance for bridge loans made by the Administration until equity capital contributions are made by the tax credit investor. The Tax Credit Bridge Loan Insurance program is governed by Sections 3-203 and

3-206 of the MHF Statute and COMAR 05.06.02 of the MHF Regulations. There are no loans currently insured under this program.

Effective December 9, 2014, MHF and the Administration created a Demonstration program (the “MHF Demonstration Program”) whereby MHF insures short term loans (“Short Term Loans”) financed with proceeds from the sale of short-term bonds (the “Short Term Bonds”) issued under the Administration’s multifamily Housing Revenue Bond Resolution (“HRB”). The MHF Demonstration Program is an additional cost-effective option extended to borrowers for the provision of credit enhancement for Short Term Loans financed under HRB. Eligibility for the MHF Demonstration Program is limited to projects where the project would need to use more than 25% of its projected tax credit equity to cash collateralize a letter of credit (“LOC”) that otherwise would be delivered to secure Short Term Bonds during construction, and the amount of the Short Term Loan (which equals the amount of the cash collateral account that would be required by a LOC provider) is greater than 25% of the projected tax credit equity. No borrower, including all related entities, may have Short Term Loans insured under the MHF Demonstration Program at any one time in excess of \$5 million. In addition, 25% of the projected amount of tax credit equity to be generated by a project must be contributed to the project at the closing of the Short-Term Loan. MHF’s obligations under the MHF Demonstration Program are backed only by MHF’s Unallocated Reserve. The aggregate amount of outstanding indebtedness to be insured under the MHF Demonstration Program may not exceed \$10 million. There are no loans currently insured under this program.

Single Family Loan Programs

In June 2005, the Department opened a program of MHF to insure 30-year and 40-year amortizing Single Family loans being purchased by the Administration. Because market conditions caused unexpectedly high demand for this insurance, the Department suspended the program as of November 10, 2008.

In June 2006, the Department authorized the expenditure of up to \$1 million of the Revitalization Program Insurance Reserve to provide credit enhancement to a loan program that is sponsored by a nonprofit corporation, which is intended to stabilize and strengthen property values in targeted areas of the City of Baltimore. In this agreement, MHF agreed to provide credit enhancement on loans enrolled in the program for a period of up to 10 years from the date the loan is enrolled in the pool. MHF’s ability to enroll new loans under that agreement terminated March 31, 2012, and the ten-year coverage of the last loans enrolled in this pool ended on March 28, 2022.

The Department negotiated an agreement dated January 12, 2012, authorizing the expenditure of up to an additional \$800,000 of the Revitalization Program Insurance Reserve to provide credit enhancement for a second loan pool. Similar to the first loan pool, the credit enhancement will last for a period of up to ten years after the date the loan is enrolled in the pool; the enrollment period for the second pool ended in January 2020. There are 62 loans in this second pool totaling \$8,308,591 in outstanding balances with a remaining contingent liability of \$166,172. A new agreement effective January 2, 2020 was negotiated authorizing the expenditure of up to an additional \$600,000 of the Revitalization Program Insurance Reserve to provide credit enhancement for a third loan pool. On January 2, 2025, MHF consented to an extension of the enrollment period and term of the third loan pool by an additional four years to a total period of nine years from the original agreement date; credit enhancement for each loan remains at ten years from the date of enrollment. With this extension, all new loans to be credit enhanced in this third pool must be enrolled by January 2, 2029. There are currently 81 loans enrolled in the third pool totaling \$10,892,305 in outstanding balances with a current contingent liability of \$217,846.

In 2008, MHF committed \$10 million of the Unallocated Reserve to provide credit enhancement for certain single family refinancing loans made by private lenders under the Department’s Home Owners’ Preserving Equity (“HOPE”) initiative. The General Reserve Insurance (“General Reserve”) was officially established by regulation in November 2008 to insure a broad range of programs, including the HOPE initiative. There have been no new loans under this program in the past several years that by June 2023, MHF reduced the General Reserve initially set aside to back the insurance obligation in this program to \$2,593,422, transferring \$6 million of the reduction to Multifamily. As of December 31, 2025, there are only 7 remaining loans insured in this program with outstanding balances totaling \$1,324,148.

Business Loan Programs

Legislation was passed effective July 1, 2016, allowing MHF to provide insurance coverage and credit enhancement to loans originated by the Administration or other eligible lenders on business projects that will acquire, operate, construct or rehabilitate businesses located in publicly designated renewal or redevelopment areas. This program is governed by Sections 3-203 and 3-206 of the MHF Statute. A separate Business Insurance Reserve (“Business Reserve”) allocated for this program stands at \$5,000,000 as of December 31, 2025. There are no loans currently insured under this program.

Additional Information

For fiscal year 2003, the Maryland Department of Legislative Services asked MHF and the Administration whether there were funds available for transfer to the State. After being advised by Moody’s that a transfer, in and of itself, would not have an adverse effect on the rating of the Administration’s outstanding parity debt, including the bonds, MHF transferred \$10 million from the Unallocated Reserve to the State. No transfer occurred in 2004, 2005, 2006, or 2007. Legislation was enacted during the 2008 session (SB 983) requiring another \$10 million to be transferred. Beginning in fiscal year 2010, and as codified at Section 3-203(i) of the MHF Statute, any amount in the Unallocated Reserve at the end of any fiscal year that exceeds the amount necessary to provide backing for insurance issued by MHF by more than \$10 million, shall be transferred to the Department’s revolving housing loan funds. During the fiscal years ending June 30, 2012, 2013, 2014, 2015, 2016 and 2017, MHF transferred \$2.1 million, \$1.1 million, \$0.77 million, \$0.88 million, \$0.87 million, and \$0.94 million, respectively. As the amount in the Unallocated Reserve at end of fiscal years June 30, 2017 through 2019 and June 30, 2021 through 2025 was less than \$10 million; no transfer was required in fiscal years 2018, 2019, 2020, and 2022 through 2025. While in fiscal year 2021 MHF transferred \$152 thousand based upon the balance outstanding in that reserve as of June 30, 2020. For more information, see “Management’s Presentation of the MHF Program” below.

MANAGEMENT’S PRESENTATION OF THE MHF PROGRAM

The following information is management’s presentation of the MHF Program.

Financial Statements and Information

The financial statements of MHF for the fiscal year ending June 30, 2025 and June 30, 2024 have been audited by CliftonLarsonAllen LLP. As indicated in the report of the auditors, such financial statements have been prepared

in conformity with accounting principles and the audits conducted in accordance with auditing standards generally accepted in the United States. The financial statements of MHF are reported on a consolidated basis combining results of operations for all MHF Programs.

Income and Reserves

MHF's income from insurance premiums is used to pay expenses.

MHF currently maintains six insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance: the Multifamily Insurance Reserve, the Single Family Regular Insurance Reserve, the Revitalization Program Insurance Reserve, the Business Reserve and the General Reserve. The investment earnings on each of the five specific reserves are credited to a sixth reserve, the Unallocated Reserve, which may be used to pay claims on all categories of insurance, or may be transferred into any other reserve, or may be restricted for claims under a particular category. The Unallocated Reserve is available for any category of claims or for any other purpose consistent with contractual obligations with the Administration's bondholders. Prior to 2011, MHF had maintained a reserve for the Home and Energy Loan Program. The reserve balance of \$500,000 was transferred into the Unallocated Reserve when the last loan insured under the program paid off in fiscal year 2009.

The MHF Statute provides that any moneys of MHF that the Department creates as an identifiable insurance reserve may be used only in conformance with the terms and conditions creating that reserve. MHF Regulations provide that each reserve is maintained to pay claims arising from its respective category of insurance and may not be subject to claims arising from other categories of insurance except for the Unallocated Reserve. All reserves are held by the Office of the Treasurer of the State, which credits MHF with interest income based on the total reserve balance for the benefit of MHF.

MHF does not insure the bonds, and the assets of MHF are not available to the Administration or the Trustee to satisfy obligations to holders of the Bonds. The obligation of MHF is limited to the payment of mortgage insurance claims as described herein. An insurance claim against MHF is payable from and limited to the applicable MHF reserve and does not constitute a general obligation of MHF, the Department, or the State.

Statements of Net Assets Discussion

During the fiscal year ending June 30, 2025, the overall equity decreased from \$86,921,758 of the fiscal year ending June 30, 2024, to \$86,595,755. The slight decrease of \$326,003 is due to an operating loss of \$271,796 primarily coming from the additional allowance for insurance losses on newly closed loans and deterioration in risk rating of some risk A accounts to B risk category in Multi-Family portfolio, plus the prior period adjustment of \$54,207 due to the implementation of the new accounting standard on the recognition and measurement of compensated absences which resulted to an understatement of the beginning balance of the compensated absences liability, requiring the corresponding adjustment to equity. During the first half of fiscal year 2026, the overall equity increased from \$86,595,755 as of June 30, 2025, to \$88,156,180. The net increase of \$1,560,425 is primarily due to the interest income on the insurance reserve funds.

The Unrestricted Accumulated Deficit is a part of the overall equity. The Unrestricted Accumulated Deficit, which decreases when claims are paid from the insurance reserves, represents the cumulative net income (loss) of

MHF since its inception less any investment income earned on the insurance reserves. When MHF's insurance reserves are greater than its net position, there will be an accumulated deficit in the net position section of the MHF Statement of Net Assets.

In fiscal year 2025, the accumulated deficit increased by \$5,992,539 from the June 30, 2024 level mainly due to the operating loss discussed above, coupled with the secretary's determination restricting the \$3,727,604 interest income to Insurance Reserves and the additional allocation of \$2,000,000 for Multi-Family Reserve. In the first half of fiscal year ending December 31, 2025 there is no significant change in the accumulated deficit.

Discussion of Changes in Net Position

For fiscal year 2025, MHF reported a reduction of \$271,796 in Net Position, decreasing from the previous year's \$86,867,551 to \$86,595,755. The reduction was primarily due to high provisioning for insurance losses discussed in the preceding sections. In the first half of fiscal year 2026, MHF is seeing an improvement of \$1,560,425 over the 2025 year-end level, primarily driven by interest income on Reserves.

As described below in "Single Family Information – Certain Additional Expected Single Family Claims" and in "Multifamily Information – Certain Additional Expected Multifamily Claims," the Administration has notified MHF of defaults under insured mortgages that are expected to result in additional claims to MHF. MHF included provisions for these claims in its allowance for unpaid insurance losses.

Discussion of Operating Cash Account

Selected Activity in MHF's Operating Cash Account

The following table is management's presentation of selected activity in MHF's operating cash account as of December 31, 2025.

	<u>Single Family</u>	<u>Multifamily</u>	<u>Business</u>	<u>Total</u>
Premiums and Fees Collected ⁽¹⁾	\$17,938	\$830,402	\$ 0	\$848,340
Operating Expenses Paid ⁽²⁾	(425,457)	(182,338)	0	(607,795)
Premiums Net of Operating Expenses	(407,519)	648,064	0	240,545
Claims ⁽³⁾	0	0	0	
Recoveries ⁽⁴⁾	593	3,672	0	4,265
Net Claim Activity	593	3,672	0	4,265
Other ⁽⁵⁾	0	(737,818)	0	(737,818)
Net Cash from Selected Activity	<u>(\$406,926)</u>	<u>(\$86,082)</u>	<u>\$ 0</u>	<u>(\$493,008)</u>

Notes:

(1) Premiums and credit enhancement related fees as collected.

(2) Operating expenses include salaries and benefits, general administrative and intradepartmental expenses.

(3) Claims include principal, interest, and supplemental expenses incurred on claims and carrying costs on acquired properties.

(4) Includes payment receipts on mortgage receivables and collections from the MD Central Collection Unit

(5) Amount includes changes in other assets and liabilities such as accounts receivables, and advances.

During the fiscal year ending June 30, 2025, the net activity in MHF's operating cash was (\$1,292,485) for Single Family and (\$310,188) for Multi-Family. The change in operating cash in Single Family was primarily due to allocated operating expenses exceeding revenues. The change in operating cash in Multi-Family was primarily due to cash advances made to the court-appointed receiver for two properties to address certain life, health and safety issues that were identified by the receiver (*Refer to ⁽²⁷⁾ Renaissance Plaza Deed of Trust Note in the original principal amount of \$7,000,000 under Notes to the Multi-Family Claims for additional details*) offset by premium and applications fees collected on new insurance applications.

For the first half of fiscal year 2026, ending December 31, 2025, the net activity in the Maryland Housing Fund (MHF) operating cash was (\$406,926) for Single Family and (\$86,082) for Multi-Family. The change in Single Family operating cash was primarily due to allocated operating expenses exceeding revenues. The change in Multi-Family operating cash resulted from insurance premium revenue net of the cash advances made to the court-appointed receiver for two properties discussed in the preceding paragraph.

Liquidity

MHF's primary uses of funds are to pay its operating expenses (direct and indirect) and to satisfy Business, Multifamily and Single Family claims under its insurance policies resulting from loan defaults (payment or physical) by insured borrowers. In general, MHF's insurance policies require MHF to pay claims to lenders, which include the total principal outstanding, interest in arrears (through foreclosure), and other expenses associated with failed real estate loans (e.g., foreclosure costs, negative escrows, etc.). MHF occasionally acquires a loan or property with the payment of a claim. The proceeds of the sale of acquired loans or properties are deducted from the original claims to derive the net loss (or net gain) associated with the defaulted loan claims.

In addition to any proceeds from the sale of assets acquired through the payment of claims, MHF's primary revenue sources result from mortgage insurance premiums paid by borrowers and the investment earnings on insurance reserves. These assets, together with the corpus of the reserves held by MHF, are available to pay insurance claims and related expenses. The available reserves are leveraged against insurance commitments outstanding. Calculations for the leverage ratios are shown in "Discussion of Leverage Ratios" below.

To manage MHF's resources effectively from both a business and liquidity sense, the management of MHF has developed several claim paying strategies. For Multifamily defaulted loans, MHF may pay a debt service claim after a borrower has missed a total of six-monthly payments. These claim payments represent any unpaid principal and interest due from the regular scheduled payment. While making these monthly payments, MHF, working with the Administration, attempts to work out the loan to minimize its loss. When the final workout of the loan is completed, MHF either pays a partial claim or pays the full claim. A workout may be accomplished through (a) refinancing of the loan after re-underwriting the debt to enable the project to meet debt service from net operating income or (b) payment of claims and resale of the asset to minimize the total size of the claim.

For Single Family defaulted loans, MHF generally requires the lender to foreclose on the loan and secure the property before it pays the claim. This affords MHF the ability to begin marketing the property for resale at the same time as it has paid out the cash. MHF attempts to resell Single Family properties in a manner that provides for recoveries as soon as possible while minimizing holding costs. While MHF strives to sell its Real Estate Owned (REO) to homebuyers, its desire to conduct quick turnaround sales does necessitate the selling of a significant portion of

the REO to investors and non-profit organizations. Selling to investors generally increases the overall net loss on the claim to MHF.

Discussion of Single Family Regular Insurance Leverage Ratios

MHF operates its Single Family insurance in accordance with an insurance agreement with the Administration dated as of August 1, 2010 (the “2010 Single Family Insurance Agreement”). Claims under the 2010 Single Family Insurance Agreement may be paid from the Single Family Regular Insurance Reserve.

The 2010 Single Family Insurance Agreement amended and restated an insurance agreement dated as of May 14, 1980 (the “1980 Single Family Insurance Agreement”) and an insurance agreement dated as of June 20, 2005. Under the 1980 Single Family Insurance Agreement, pool insurance was provided for single family mortgages financed under a bond resolution for which no bonds remain outstanding. As of August 1, 2010, under the 2010 Single Family Insurance Agreement, MHF was released from the obligation to provide pool insurance under the 1980 Single Family Insurance Agreement.

Under the 2010 Single Family Insurance Agreement, MHF has contracted with the Administration that, except as necessary to pay claims or advances on claims, MHF will not permit the ratio of the aggregate dollar amount of the Single Family insurance to assets in the Single Family Regular Insurance Reserve (as may be reduced as described below) to exceed 25 to 1, and that no new insurance payable from the Single Family Regular Insurance Reserve shall be issued or committed to, if upon such issuance or commitment and subsequent issuance, that ratio would be exceeded.

Due to MHF having never insured loans that were securitized by Fannie Mae, on April 4, 2014 MHF notified Fannie Mae of its intent to cease seeking certification as a Fannie Mae qualified insurer and requested that Fannie Mae remove MHF from its list of eligible mortgage insurance providers. The Administration and MHF have entered into the First Amendment to the 2010 Single Family Insurance Agreement between MHF and the Administration, dated as of April 30, 2014, which eliminates the obligation of MHF to take all actions necessary for the qualification of Single Family Regular Program insurance as mortgage insurance from a qualified insurer within the meaning of Section 3.02(6)(2) of the Fannie Mae Charter Act.

Selected Information about the Single Family Regular Insurance Reserve Ratios

	<u>06/30/24</u>	<u>06/30/25</u>	<u>12/31/25</u>
Single Family Regular Insurance Reserve ⁽¹⁾⁽²⁾	\$13,692,636	\$13,685,775	\$13,685,775
Amount Available for Calculation of Ratio of Insurance to Available Reserve ⁽³⁾	13,692,636	13,685,775	13,685,775
Primary Insurance coverage in force ⁽⁴⁾			
Insurance Agreement prior to 2005	501,967	313,293	262,815
Insurance Agreement post 2005	2,750,214	2,389,416	2,347,674
Pool Insurance coverage in force ⁽⁵⁾	-	-	-
Ratio of Mortgage Loans to the Regular Reserve	0.24 to 1	0.20 to 1	0.19 to 1

Notes:

(1) The Single Family Program does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of December 31, 2025, MHF had committed no additional primary insurance coverage.

(2) Fund balances for MHF reserves are calculated in the same manner as in the financial statements of MHF and include investment income earned and allocated by the Secretary to the Single Family Regular Insurance Reserve.

(3) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Insurance Reserve or the Multifamily Insurance Reserve may be reduced in a manner determined by MHF to be appropriate. As of December 31, 2025, there was no reduction in the Single Family Regular Insurance Reserve to cover the accumulated deficit.

(4) The primary insurance coverage is 25% of the allowable claim for loans insured prior to 2005 under the Single Family Insurance Agreement (\$1,051,260 at December 31, 2025). The primary insurance coverage is 35% of the allowable claim for loans insured under the 2005 Single Family Insurance Agreement (\$6,707,639 at December 31, 2025).

(5) In 2010, MHF provided pool coverage for certain loans done by the Administration prior to 1997. Effective August 1, 2010 the Administration released MHF from any obligation to provide pool insurance for MHF Pool-Insured Loans.

Discussion of Multifamily Insurance Leverage Ratios

MHF operates its multifamily insurance in accordance with an amended and restated insurance agreement dated February 12, 2006, with the Administration (the "Insurance Agreement").

Under the Insurance Agreement, MHF has contracted with the Administration that, except as necessary to pay claims or advances on claims, MHF will not permit the ratio of Multifamily insurance to assets in the Multifamily Insurance Reserve (as may be reduced as described below) to exceed 10 to 1, and that no new insurance payable from the Multifamily Insurance Reserve shall be issued or committed to if upon such issuance or commitment and subsequent issuance the ratio would exceed 10 to 1. (Under the terms of the Insurance Agreement, loans insured by MHF that are reinsured without contingent liability on the part of MHF are not taken into account in determining MHF's compliance with the maximum 10 to 1 ratio of amounts insured to assets in the Multifamily Insurance Reserve).

Selected Information about the Multifamily Insurance Reserve Ratios

	<u>06/30/24</u>	<u>06/30/25</u>	<u>12/31/25</u>
Total Multifamily Insurance Reserve ⁽¹⁾	\$60,698,739	\$66,698,739	\$66,698,739
Amount Available for Calculation of Ratio of Insurance to Available Reserve ⁽²⁾	60,698,739	66,698,739	66,698,739
Insurance Outstanding			
Multifamily mortgage insurance in force	\$209,185,247	\$262,481,502	\$253,059,014
Ratio of Insurance to Available Reserve	3.74 to 1	3.94 to 1	3.79 to 1

Notes:

(1) The Multifamily Insurance Reserve does not include amounts, if any, which have been restricted for possible additional insurance coverage in the Unallocated Reserve. As of December 31, 2025, MHF had committed to additional mortgages in the amount of \$11,129,079.

(2) In order to determine the leverage ratios, if the Unrestricted Accumulated Deficit exceeds the Unallocated Reserve, the Single Family Regular Insurance Reserve or the Multifamily Insurance Reserve may be reduced in a manner determined by MHF to be appropriate. As of December 31, 2025, there was no reduction in the Multifamily Insurance Reserve to cover the accumulated deficit.

The total amount of the Multifamily Insurance Reserve is available to pay multifamily insurance claims. In addition, to the extent available, MHF could elect to pay all or part of any multifamily claim from the Unallocated Reserve or from operating funds. MHF maintains other reserves that are not available to pay such claims (e.g., the Single Family Regular, Revitalization, and General Reserves).

SINGLE FAMILY INFORMATION

Certain Additional Expected Single Family Claims

Under its Single Family Regular insurance program, MHF is not obligated to pay claims on Single Family insurance until after the insured lender has completed foreclosure, evicted the occupants of the properties (if necessary) and restored the property to a condition satisfactory to MHF. As a result, at any time there are a number of mortgages that have been foreclosed and which are likely to result in payment of claims, but which have not yet reached the point where MHF recognizes them as liabilities in its financial statements. MHF includes its projection of net losses with respect to these potential claims in its financial statements as part of the allowance for Single Family insurance losses. These amounts are potentially payable from other resources of MHF, including operating cash, the Unallocated Reserve and the Single Family Regular Insurance Reserve.

Discussion of Single Family Operations

MHF has taken steps to address the potential Single Family claims. A part of this focus is applying active loss mitigation strategies to Single Family loans to prevent them from going to foreclosure, including forbearance and extended repayment plans. In addition, operational reviews of the loan servicers are ongoing. The reviews are intended to ensure that loss mitigation strategies are being pursued in applicable cases.

MHF is also managing its sales of units acquired through foreclosure or similar action to improve overall returns by employing private sector contractors and real estate brokers to perform repairs, listings and sales of all REO units.

Single Family Claims Experience

The following chart sets forth information about claims on mortgage loans insured under the Single Family Regular Insurance Reserve and the Revitalization Program Insurance Reserve. Prior to 2016, MHF acquired properties upon paying a claim. No properties have been acquired by MHF since fiscal year 2016 as the Administration has elected to keep title to all acquired properties and only request MHF to pay its pro rata claim amount. The data for all reporting periods is subject to adjustment due to additional expenses paid and proceeds received after the close of the reporting periods.

Single Family Claims Experience

	<u>06/30/24</u>	<u>06/30/25</u>	<u>12/31/25</u>
Pro-Rata Claims Paid	\$201,030	\$105,619	\$ -
Properties Acquired	-	-	-
Gross Claims Paid	201,030	105,619	-
Recoveries		(5,529)	-
Net Claims Paid	\$201,030	\$100,090	\$ -

2010 Single Family Insurance Agreement

The 2010 Single Family Insurance Agreement provides as follows:

- (1) MHF will not decrease the amount of funds in the Single Family Regular Insurance Reserve as increased from time to time for any reason except to pay claims and advances against claims arising under the Program and for expenditures with respect to properties acquired by MHF as a result of payment of such claims.
- (2) Except as necessary to pay claims and advances on claims and except for expenditures with respect to properties acquired by MHF as a result of payment of such claims, MHF will not exceed a certain leverage ratio. See "Management's Presentation of the MHF Program – Discussion of Leverage Ratios."
- (3) MHF and the Administration agree that MHF is released from any obligation to continue to provide pool insurance for loans originally covered by pool insurance under the 1980 Single Family Insurance Agreement.

Terms of Single Family Insurance Coverage

MHF insures mortgage loans on one-to-four family structures under its Single Family Regular Program, which includes the Primary Insurance Program and the Pool Insurance Program.

Pool Insurance. Effective August 1, 2010, MHF was released from any obligation to provide pool insurance for loans originally covered by pool insurance under the 1980 Single Family Insurance Agreement.

Payment of Claims, MHF pays all claims in cash and may settle under one of four options:

- (1) Loan Assignment – MHF takes an assignment of the mortgage and pays the claim (but not including expenses of foreclosure and acquisition of title);
- (2) Fixed Percentage Settlement – claim settlement under this option is applicable when MHF provides for payment based on a declared percentage of the outstanding loan amount before foreclosure sale, and MHF, under this method, also waives any interest in the subject property;

- (3) Lender Acquisition Settlement – the lender acquires title at foreclosure (or by deed in lieu of foreclosure) and transfers title to MHF, and MHF pays the amount of the claim up to the percentage specified in the insurance policy; and
- (4) Third Party Acquisition – when the property is sold to a third party (at foreclosure, by the lender after taking a deed in lieu of foreclosure, or by the borrower after the commencement of foreclosure proceedings), with the approval of MHF, MHF pays the lesser of the percentage specified in the primary policy before crediting net sales proceeds or the full claim after crediting net proceeds of sale.

For claims paid under the Lender Acquisition Settlement method, MHF requires the Administration to take all steps required after default in order to deliver the property to MHF in a condition satisfactory to MHF. These steps may include foreclosure, eviction of the occupants if necessary, and cleaning of the property. As a result, a substantial period may elapse between the time an insured loan goes into default and payment of a claim. MHF Regulations regarding Single Family mortgage insurance do not require MHF to pay interest on a claim from the time an insured lender acquires title to the property, or from the date MHF agrees to take a Loan Assignment or make a Fixed Percentage Settlement, to the time the claim is paid. Claims are paid after the title to the property has been conveyed, which is at least 60 days after foreclosure and could be longer.

MHF will review cases that involve claims of more than nine months of delinquent interest on a case-by-case basis to ascertain the cause for the delayed claim and determine the amount of interest, if any, in excess of nine months to be paid. Interest will be paid in excess of nine months where circumstances beyond the control of the insured lender caused the delay in making the claim, such as the filing of bankruptcy by the mortgagor.

MULTIFAMILY INFORMATION

Multifamily Insurance in Force and Available Reserves

The following table sets forth information about outstanding insurance on mortgage loans under MHF's Multifamily program as of December 31, 2025. The amounts shown are net of debt service claim payments.

Outstanding Multifamily Insurance

Lender	Units	# Of Loans	Original Insured Principal Amount	Current Balances
CDA permanent financing on large multifamily projects ⁽¹⁾	9,292	109	\$269,524,600	\$233,924,252
CDA Demonstration Program ⁽²⁾	-	-	-	-
CDA Special Housing Opportunity Program (SHOP) ⁽³⁾	291	88	14,078,864	8,005,683
TOTAL	9,583	197	\$283,603,464	\$241,929,935

⁽¹⁾ Loans financed with proceeds of the Administration's Housing Revenue Bonds and the Administration's Multi-Family Residential Revenue Bonds (Insured Mortgage Loans). The loans provided permanent financing for construction and for developments located in 21 counties and the City of Baltimore. The projects (not including SHOP) contain units that are assisted under the Section 8 Program.

⁽²⁾ On December 9, 2014, CDA and MHF created a new Demonstration Program whereby MHF insures short term loans. By utilizing MHF for this purpose, borrowers may avoid the need to obtain costly letters of credit. No loans are outstanding under this program at December 31, 2025.

⁽³⁾ Loans financed with proceeds of the Administration's Special Housing Opportunities Program.

Charts detailing the multifamily loans insured by MHF and financed by the Administration may be found in the Administration's filings in accordance with Rule 15c2-12 of the Securities and Exchange Commission with the Electronic Municipal Market Access ("EMMA") for Housing Revenue Bonds and for Multifamily Housing Revenue Bonds (Insured Mortgage Loans).

Certain Additional Expected Multifamily Claims

MHF Regulations provide that after a multifamily mortgage loan insured by MHF has been in default for six months, the Administration or any other public agency that is an insured lender may require that the mortgage loan be assigned to MHF and an insurance claim paid by MHF to the Administration or such public agency. MHF currently has no insured loans in financial default.

Discussion of Multifamily Operations

Portfolio Risk Rating. Since June 1997, the Department has developed and implemented a rating system for the MHF-insured Multifamily portfolio. The Department evaluates each insured project each quarter and assigns the loan a rating of "A," "B," or "C". Factors considered in evaluating projects include the project type, the vacancy level, net operating income and debt service coverage ratio, whether the mortgage is delinquent, the age of the loan and the age of the project, whether there is significant deferred maintenance, adequacy of funds held in reserve for replacements in relation to age and condition of project, rating by the Department in its annual management review, and stability of the market surrounding the property.

"A" Projects are those projects that require no more than standard attention because factors indicate the least prospect of default.

"B" Projects are those projects which are not in default but require more oversight and monitoring and present the possibility for default if existing conditions deteriorate further.

"C" Projects are those projects that are in financial or physical default or otherwise present a strong risk of financial or physical default.

MHF's Risk Rating of the Multifamily Projects as of December 31, 2025

	Outstanding Principal Balances	Percentage of Total Principal	Number of Loans	Number of Projects
"A" Loans: ⁽¹⁾	\$482,123,405	73%	82	70
"B" Loans:	177,409,845	27%	27	27
"C" Loans:				
Portfolio Totals:	\$659,533,250	100%	109	97

⁽¹⁾ Included in the 'A' Loans, in the "Outstanding Principal Balance" column, is \$8,005,683 for 88 group home (SHOP) loans, which are not reflected in the 'Number of Loans' nor 'Number of Projects' columns

Portfolio Management. The Division evaluates each of the loans in the "B" and "C" categories to develop an appropriate plan for mitigating risk of potential default. Strategies may include loan modification, use of additional resources, adjustments to funding of reserves for replacement going forward, payment forbearance, and replacement of management agents.

Multifamily Claims Experience

The following chart describes claims paid by MHF on loans insured under the Multifamily Insurance Reserve as of December 31, 2025.

In the column entitled "Claims Net of Cash Recoveries," the figures show the result as of December 31, 2025. Workouts are in progress. See the individual footnotes below for further information.

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MULTIFAMILY CLAIMS PAID BY MHF

Development/Claim Status	Principal	Interest & Carrying Costs	Total	Recoveries	Claims Net of Cash Recoveries	Date Claim Paid
<u>Closed Claims</u>						
Single Family Mortgage Loans ⁽¹⁾	\$ 309,392	\$ -	\$ 309,392	\$ 346,620	\$ 37,228	Various
Beethoven Apartments	40,000	-	40,000	40,000	-	
Dougllynne Woods & Rhoda's Legacy	566,658	-	566,658	566,658	-	04/1982
Bond Street ⁽²⁾	543,940	71,711	615,651	408,859	(206,792)	08/1989
Bellevue-Manchester ⁽³⁾	288,333	-	288,333	-	(288,333)	10/1990
Strathdale Manor Apartments ⁽⁴⁾	10,700,000	2,376,830	13,076,830	-	(13,076,830)	05/1994
Walker Mill ⁽⁵⁾	3,346,441	1,229,080	4,575,521	2,314,817	(2,260,704)	01/1997
Edmondale ⁽⁶⁾	457,739	24,206	481,945	-	(481,945)	04/1997
Town Properties ⁽⁷⁾	819,111	12,493	831,604	582,989	(248,615)	07/1997
Loch Raven ⁽⁸⁾	12,103,623	1,065,472	13,169,095	9,080,444	(4,088,651)	02/1998
Village Home Apartments ⁽⁹⁾	954,202	55,182	1,009,384	649,523	(359,861)	12/1998
Regent Apartments ⁽¹⁰⁾	1,227,455	72,446	1,299,901	860,603	(439,298)	01/1999
Maple Avenue ⁽¹¹⁾	3,053,892	211,540	3,265,432	1,748,397	(1,517,035)	06/1999
Westfield Apartments ⁽¹²⁾	4,401,438	390,924	4,792,362	2,910,539	(1,881,823)	11/1999
Westfield Gardens ⁽¹³⁾	496,757	1,735	498,492	279,435	(219,057)	11/1999
Apartments at the Greens ⁽¹⁴⁾	6,337,284	21,927	6,359,211	6,010,026	(349,185)	11/1999
Stewarttown ⁽¹⁵⁾	2,543,590	-	2,543,590	2,150,000	(393,590)	12/1999
Telephone Apartments ⁽¹⁶⁾	1,030,275	33,569	1,063,844	773,833	(290,011)	01/2001
Robinwood Townhomes ⁽¹⁷⁾	2,451,741	218,057	2,669,798	2,630,807	(38,991)	11/2001
North Avenue Terraces ⁽¹⁸⁾	1,155,285	48,762	1,204,047	750,000	(454,047)	07/2002
SHOP Loans ⁽¹⁹⁾	772,987	78,925	851,912	725,068	(126,844)	03/2001
Bell Haven Apartments ⁽²⁰⁾	5,856,640	2,449,128	8,305,768	5,842,157	(2,463,611)	03/1996
Quail Run/Bay Street Properties ⁽²¹⁾	1,182,578	37,677	1,220,255	1,186,575	(33,680)	03/2003
Tomall Apartments ⁽²²⁾	152,885	994	153,879	75,000	(78,879)	06/2004
Market Mews ⁽²³⁾	1,700,014	1,565,862	3,265,876	2,168,828	(1,097,048)	12/1985
Eastdale ⁽²⁴⁾	3,302,667	320,060	3,622,727	3,622,727	-	11/1999
Villages of Laurel ⁽²⁵⁾	5,036,854	607,133	5,643,987	5,643,987	-	11/1999
Hollins Townhouses ⁽²⁶⁾	2,445,475	1,073,289	3,518,764	2,052,599	(1,466,165)	10/1990
Lease Purchase ⁽²⁹⁾	1,534,088	82,619	1,616,707	1,000,277	(616,430)	05/1996
<u>Claims where debt is outstanding</u>						
Renaissance Plaza ⁽²⁷⁾	\$6,907,349	\$4,680,554	\$11,587,903	\$5,071,731	(\$6,516,168)	02/1991
Mount Pleasant ⁽²⁸⁾	3,506,595	601,296	4,107,891	4,066,175	(41,716)	02/1996

Notes:

(1) Claims on eight Single Family loans insured under the Multi-Family Reserve before 1980.

(2) Bond Street Deed of Trust Note in the original principal amount of \$543,940.

(3) Bellevue-Manchester was a Construction Loan under Administration's HELP Program; secured by a second mortgage. First insured lender bought property at the foreclosure sale.

(4) Strathdale Manor Apartments Deed of Trust Note in the original principal amount of \$14,285,000. Claim amount paid by MHF included \$10,700,000 of original principal on the Note and \$145,139 in interest. MHF paid \$2,205,204 of operating deficits for the project. The proceeds of a letter of credit in the amount of \$3,585,000 provided by Maryland National Bank were used to cover the rest of the original principal portion of the Note. As required by an intercreditor agreement between MHF and Maryland National Bank, MHF filed for foreclosure on August 4, 1994, and after prolonged negotiations with Baltimore City, the project developer, and other developers interested in further renovating the project proved unsuccessful, the property was sold to Baltimore City at foreclosure on April 15, 1997. The property was sold for an amount that was insufficient to provide any recovery to MHF.

(5) Walker Mill Deed of Trust Note in the original principal amount of \$4,400,000, as modified by an allonge dated November 5, 1987, reducing the principal amount of the Note to \$3,400,000. The Deed of Trust Note was sold and assigned to an unrelated third party purchaser on February 6, 1997.

(6) Edmondale Deed of Trust Note was in the original principal amount of \$508,000.

(7) Town Properties Deed of Trust Note in the original principal amount of \$884,984. The property was sold to an unrelated third party at foreclosure on August 7, 1997.

(8) Loch Raven Deed of Trust in the original principal amounts, as amended into two, Deed of Trust Notes: of \$9,765,000 and \$2,785,000, respectively. In return, the Administration accepted a demand note from MHF in the principal amount of \$11,782,615, the amount of the outstanding indebtedness net of the non-refundable deposit for the sale of the Deed of Trust Notes bearing interest at 8.25%. The Deed of Trust Notes were sold and assigned to an affiliate of the borrower on February 3, 1998. MHF received net sale proceeds in the amount of \$8,900,000, which were combined with additional claim payments totaling \$2,890,216 to repay the claim note and accrued interest. The net loss on the transaction was paid from the Unallocated Reserve.

(9) Village Home Apartments Deed of Trust Note in the original principal amount of \$986,856, dated September 30, 1993. The property was sold for \$640,000. The Administration accepted a claim note from MHF for \$1,009,109. MHF paid \$318,664 plus \$50,720 paid previously as pre-claim payments and \$275 per diem interest and then signed over the proceeds to repay the claim note in December 1999.

(10) Regent Apartments Deed of Trust Note in the original principal amount of \$1,255,000 dated September 16, 1994. The property was sold for \$860,603. The Administration accepted a claim note from MHF for \$1,299,265. MHF paid \$383,187 plus \$55,475 paid previously as pre-claim payments and \$636 per diem interest and then signed over the proceeds to repay the claim note in January 1999.

(11) Maple Avenue Deed of Trust Note in the original principal amount of \$3,150,000 dated March 12, 1992. The property was sold for \$1,700,000 less settlement charges. The Administration accepted a claim note from MHF for \$2,953,878. MHF paid \$1,288,286 plus \$310,294 paid previously as pre-claim payments, \$1,259 per diem interest, signed over the proceeds, and, with \$10,000 received directly by the Administration, repaid the claim note in June 1999.

(12) Westfield Apartments Deed of Trust Note in the original principal amount of \$4,600,000 dated April 12, 1983. The property was sold for \$2,910,539. MHF paid a partial claim in the amount of \$1,433,520 that includes \$390,924 of accrued interest plus \$448,303 paid previously as pre-claim payments.

(13) Westfield Gardens Deed of Trust Notes in the original principal amounts of \$498,908 and \$28,150 dated September 21, 1983. The property was sold for \$279,435. MHF paid a partial claim in the amount of \$180,318, which included \$1,735 of accrued interest, plus \$38,739 paid previously as pre-claim payments.

(14) Apartments at the Greens Deed of Trust Notes in the original principal amounts of \$6,348,627 and \$341,850 dated April 21, 1983. The property was sold for \$6,010,026. MHF paid a partial claim in the amount of \$302,222, which included \$21,927 of accrued interest, plus \$46,963 paid previously as pre-claim payments.

(15) Stewarttown Deed of Trust Note in the original principal amount of \$3,136,100 dated July 18, 1975. The property was sold for \$2,150,000. MHF paid a partial claim payment in the amount of \$393,590.

(16) In May 1993, MHF paid a partial claim on a project called Telephone Apartments, in the amount of \$291,487 for which a promissory note has been received. On February 8, 2001, MHF sold the Deed of Trust Note. The proceeds of the sale exceeded the claim paid to the Administration by MHF by \$1,477. The partial claim of \$291,487 will not be repaid. MHF had an allowance for loan loss for the full amount of this note.

(17) Robinwood Townhomes Deed of Trust Note was in the original principal amount of \$2,641,750. MHF paid a claim in full in the amount of \$2,653,883 on November 9, 2001. MHF foreclosed on this property on November 15, 2001. MHF sold the property for the purchase amount of \$2,410,000. The Circuit Court of Baltimore City ratified the sale on January 10, 2002. On June 24, 2002, MHF collected \$2,330,331 in net sales proceeds.

(18) In July 2002, MHF issued a claim note to the Administration and accepted assignment of an insured Deed of Trust and Deed of Trust Note in the original principal amount of \$1,350,000 that financed a project known as North Avenue Terrace. MHF sold the Deed of Trust Note and received sales proceeds in the amount of \$750,000 on July 25, 2002. MHF paid the claim note in full with payment to the Administration in the amount of \$1,145,826 on July 30, 2002.

(19) Nine Deed of Trust Notes in the original principal amounts of \$833,650 for the various SHOP loans. MHF paid full claim payments on the nine loans in the amounts of \$824,224. In March 2001, MHF accepted five loan assignments in the original principal amount of \$502,950. MHF paid full claims on the five loans for \$491,062 and received full recovery on the first and fourth loans by virtue of third party sales at foreclosure on June 7, 2001. MHF realized losses on the sale of the second and third loans of approximately \$27,000 and \$22,000, respectively. MHF realized a loss of approximately \$40,000 on the fifth loan by virtue of third party purchasing on June 7, 2001. In August 2001, MHF accepted one assignment in the principal amount of \$108,000. MHF paid a full claim on the loan for \$106,372 and realized full recovery at a third party foreclosure sale on August 16, 2001. In October 2001, MHF accepted another three assignments in the original principal amount of \$222,700. MHF paid full claims on the three loans for \$226,790 and received full recovery on one loan at the third party foreclosure sale on June 13, 2002. MHF realized losses of approximately \$18,000 and \$16,000 on the two loans at the third party foreclosure sale on June 13, 2002. The court ratified the foreclosure sales on July 26, 2002.

(20) In June 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note, for a project named Belle Haven, in the original amount of \$6,186,990. MHF paid a claim in full for the project in the amount of \$7,995,330 on June 26, 1996. MHF received partial recovery of this amount upon disposition of the underlying collateral. The property was brought-in by MHF with a bid of \$5,100,000 at foreclosure auction held on July 25, 2000. The Circuit Court of Prince George's County ratified the foreclosure sale on January 25, 2001. A contract for the sale of the property was executed on February 7, 2001, and sold on August 30, 2001, in the amount of \$5,100,000. MHF received net proceeds from the sale in the amount of \$4,844,394 and a Note in the remaining amount of \$210,000 payable by February 1, 2004. The purchaser made payments on the MHF Note totaling \$232,981, including the final payment in the amount of \$130,772, which was received on May 21, 2003.

(21) In March 2003, MHF accepted assignment of an insured Deed of Trust and Deed of Trust Note in the original principal amount of \$1,276,037 that financed a project known as Quail Run Apartments (Bay Street Properties). MHF paid the claim note in full on March 13, 2003 with a payment to the Administration in the amount of \$1,058,783. The property was sold at foreclosure auction on June 27, 2003 for \$1,160,000. Settlement of the transaction occurred on November 5, 2003. On December 2, 2003, the Circuit Court for Worcester County ratified the auditor's report of the transaction. On December 4, 2003, after payment of the auctioneer's commission and advertising expenses, sales proceeds in the amount of \$1,174,575 were collected with additional interest received.

(22) On September 19, 1984, the Administration made a loan in the principal amount of \$250,000 to Ronald H. Thomas in connection with a project called Tomall Apartments. MHF paid the claim note in full on June 28, 2004 with a payment to the Administration in the amount of \$153,879. On June 30, 2004, MHF collected \$75,000, which represents a partial recovery. The property was sold to a new owner who plans to rehabilitate the project.

(23) Market Mews Deed of Trust Note is in the original principal amount of \$1,700,000. MHF paid all amounts in arrears totaling \$151,733. The Administration accepted a promissory note from MHF in the total principal amount of \$1,693,568, with interest at the annual rate of 7%, which had a maturity date of December 31, 1995. MHF paid the claim note in full as of February 22, 1995. To date, MHF has paid principal and interest on the claim note and operating deficits in the total amount of \$3,265,876. MHF foreclosed on this development in an uncontested foreclosure proceeding held on July 14, 1995. The original collateral for the loan consisted of 31 scattered site units of which all units were sold.

(24) Eastdale Deed of Trust was in the original amount of \$3,401,000. The loan was refunded with \$2,450,000 in new bond proceeds. MHF made a partial claim payment in the amount of \$746,513 and pre-claim payments in the amount of \$426,214. MHF received cash of \$54,324 and a Cash Flow Note in the amount of \$1,118,403, equal to the net claim paid. The MHF Note is secured by a second deed of trust lien on the land

and improvements on which the project is located. To date the project has made net payments on the MHF Note of \$490,510. In July 2010, the loan was paid off and MHF received payment in the amount of \$627,893.

⁽²⁵⁾ Villages of Laurel Deed of Trust Note is in the original amount of \$5,140,000. The loan was refunded with \$3,173,200 in new bond proceeds. MHF made a partial claim payment in the amount of \$1,645,098 and pre-claim payments in the amount of \$825,689. MHF received cash of \$54,023 and a Cash Flow Note in the amount of \$2,416,765, equal to the net claim paid. The MHF Note is secured by a second deed of trust lien on the land and improvements on which the project is located. To date the project has made net payments on the MHF Note of \$686,059. In March 2011, the loan was paid off and MHF received payment in the amount of \$1,730,706.

⁽²⁶⁾ Hollins Townhouses Deed of Trust Note in the original principal amount of \$2,300,000. MHF paid all amounts in arrears totaling \$176,025, and the Administration accepted a promissory note from MHF in the total principal amount of \$2,427,094, with interest at the annual rate of 7%, which had a maturity date of December 31, 1995. MHF paid the claim note in full as of February 22, 1995. To date, MHF has paid principal and interest on the claim note and operating deficits in full as of February 22, 1995. To date, MHF has paid principal and interest on the claim note and operating deficits in the total amount of \$3,518,764. MHF foreclosed on this development in an uncontested foreclosure proceeding held on July 14, 1995. The original collateral for the loan consisted of 48 scattered site units of which the last unit was sold in April 2011.

⁽²⁷⁾ Renaissance Plaza Deed of Trust Note in the original principal amount of \$7,000,000. MHF paid all amounts in arrears totaling \$428,052 in February 1991. In connection with the default, MHF also paid additional principal of \$6,880,050; interest totaling \$1,498,664, and operating deficits in the amount of \$2,781,137. The Renaissance Plaza project, which consists of three buildings, was sold pursuant to the orders of a judicial receivership. Closing on the sale of one building (Renaissance Plaza I) occurred on December 30, 1993. MHF received two notes in payment of the purchase price: a first lien mortgage in the amount of \$2,722,544 at 6.22% interest, \$365,000 of which is an amortizing loan, the balance to be paid out of cash flow, if any from the properties; and a second lien gap note in the amount of \$512,404 at 0% interest until maturity. The gap note was paid in full at the closing of financing for rehabilitation of the building on February 18, 1994. The closing of the other two buildings (Renaissance Plaza II) occurred on December 14, 1994. MHF received three notes in payment of the purchase price for the two buildings: a first lien mortgage in the amount of \$2,600,000 at 7.4% interest to begin amortizing on January 1, 1997; a second lien mortgage in the amount of \$4,450,000 at 8.23% interest to be paid out of cash flow, if any, from the properties; and a third lien gap note in the amount of \$500,000 at 0% interest until maturity (April 13, 1995), and a default rate of 7.4% interest. The gap note was paid in full at the closing of financing for rehabilitation of the two buildings on February 14, 1995. The \$2,600,000 deed of trust note was sold at par and assigned to the Administration on September 24, 1996, in connection with an issuance of bonds by the Administration.

On January 1, 2024, the \$2,722,544 Renaissance Plaza I mortgage note matured with a remaining principal balance of \$2,357,544 and minimum principal and interest build up in the amount of \$6,147,309.35. MHF ordered an appraisal to determine the final amount due pursuant to the repayment terms of the note. Upon completion of the appraisal and reconciliation process under the mortgage note, the entire balance of the note was immediately due. On February 22, 2024, MHF made separate demand on the owner of Renaissance Plaza I relating to the physical condition at the project, which demands were not timely addressed to MHF's satisfaction. On April 23, 2024, MHF accelerated the outstanding debt on the Renaissance Plaza II properties. In May 2024, Reliable Property Management, Inc. was appointed Receiver by the Circuit Court of Baltimore City to take possession and control of the Renaissance Plaza I and Renaissance Plaza II properties and improvements consisting of the Esplanade, Emersonian and Temple Gardens. In June 2024, \$2,454,439.76 in net cash proceeds of a matured Zero-Coupon Bond assigned to MHF as collateral on the mortgage notes was applied to the outstanding interest on the Renaissance Plaza Notes on a pro-rata basis. Since the Receiver has been in place, MHF has funded \$2,259,076 to the Receiverships to correct certain life, health and safety issues identified at the property and for other care and preservation expenses to maintain the collateral pending sale.

⁽²⁸⁾ In February 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note in the original principal amount of \$3,900,000 for a project called Mount Pleasant. MHF paid a claim for the project in the amount of \$4,107,891 on February 15, 1996. The property was sold to new ownership that planned to rehabilitate the project using a combination of new equity funds and State and City of Baltimore financing in combination with proceeds of the Administration's Multi-Family 1995 December Bond Issue in the amount of \$2,550,000. New Administration and MHF loan documents were executed in conjunction with a loan closing in July 1996. MHF received a Deed of Trust Note in the amount of \$1,087,259 of which \$293,770 is an amortizing 0% interest loan, and the balance is a cash flow loan with interest accruing at 2% per annum. MHF received partial recovery of \$2,450,000 at the time of closing and \$1,066,720 in September 1996. Reserves for construction contingences and various operating expenses, in the amount of \$460,305, were funded from the recovery proceeds. In June 1998, a construction reserve held by MHF in the amount of \$198,000 and cost certification savings received from the Administration in the amount of \$100,513 were applied to reduce the outstanding principal balance of the Deed of Trust note held by MHF.

⁽²⁹⁾ In May 1996, MHF accepted assignment of a Deed of Trust and Deed of Trust Note in the original amount of \$2,000,000, which financed a project known as Lease Purchase. MHF paid a claim for the project in the amount of \$1,587,498 on May 15, 1996. MHF received partial recovery of this amount upon disposition of the underlying collateral. MHF accepted a deed of assignment on this project on July 12, 1996. The original collateral for the loan consisted of 40 scattered site units, the last two of which were sold in April 2020.

Actuarial Study

The Insurance Agreement amended in 2006 no longer requires periodic actuarial studies.

Staff

The Director of MHF is appointed by the Secretary of the Department and serves at the pleasure of the Secretary, with such authority as the Secretary determines to delegate to the Director. The Director also serves as the Director of the Division of Credit Assurance of the Department.

Financial operations for MHF have been centralized and are now within the Division of Finance and Administration for the Department.

Certain senior staff members of the Division of Credit Assurance, the Division of Finance and Administration, and MHF are as follows:

<u>Name</u>	<u>Position</u>
Joseph A. Pulver	Director, Division of Credit Assurance and MHF
Sergei V. Kuzmenchuk	Chief Financial Officer
Kenneth F. Fick	Director, Division of Finance and Administration
Crystal Quinzani	Deputy Director, Division of Finance and Administration
Eizebel Trojillo	Deputy Director, Division of Finance and Administration

Joseph A. Pulver joined the Division of Credit Assurance as Deputy Director in February 2023. Prior to joining the Division of Credit Assurance, Mr. Pulver worked as an Assistant Attorney General in the Office of the Attorney General of the State of Maryland assigned to the Department of Housing and Community Development and, primarily, the Division of Credit Assurance. Mr. Pulver has 14 years' experience as an attorney representing primarily creditors in financial, banking and real estate workouts, litigation and transactions, including his four years with the Office of the Attorney General, six years as an associate and partner at Shapiro Sher Guinot & Sandler in Baltimore City, MD, and four years as an associate at Leitess Friedberg in Owings Mills, MD. Mr. Pulver has a Juris Doctorate (JD) and Masters in Business Administration (MBA) from the University of Baltimore and a Bachelor of Science (BS) degree in General Business from the Robert H. Smith School of Business at the University of Maryland.

Sergei V. Kuzmenchuk joined the Department as its Chief Financial Officer in June of 2015 after serving as Chief Financial Officer at the District of Columbia Housing Finance Agency (the "DCHFA") since October 2008. Prior to joining the DCHFA, he served as the Department's Deputy Director of Finance for the Administration from August 2000 until January 2006, and Director of Finance for the Administration from January 2006 until October of 2008. Prior to his work at the Department and DCHFA, Mr. Kuzmenchuk worked in various financial management and international trade and banking capacities, both domestically and overseas. Mr. Kuzmenchuk earned his Master of Business Administration degree in Accounting in 2002 from the Joseph A. Sellinger, S.J., School of Business and Management, Loyola University, and in 1995 earned a Master of Public Management degree in Public Sector Financial Management from the School of Public Policy, University of Maryland, College Park. In 1993, Mr. Kuzmenchuk received his Bachelor of Arts and Master of Arts degrees in English and French Interpretation from the Minsk State Linguistic University, Minsk, Belarus.

Kenneth F. Fick was appointed Director of the Division of Finance and Administration effective January 10, 2024. Mr. Fick has extensive experience serving in key financial leadership positions at both private and public companies including serving as Vice President of Financial Planning and Analysis (“FP&A”) at Citrin Cooperman & Company, LLP; Vice President of FP&A at Berkeley Research Group, LLC; Director in the Strategy & Transformation Services practice at Morgan Franklin Consulting, LLC; Chief Financial Officer of Dreamscape Marketing, LLC; Senior Director of FP&A for Vertis Communications Inc. and Director in the Forensic and Litigation Consulting Practice at FTI Consulting Inc. Mr. Fick holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo and a Master of Business Administration degree from the College of William and Mary.

Crystal Quinzani is Deputy Director for the Division of Finance and Administration (DFA), a position that she held since May 2022. She also served as the Acting Director of DFA from August 2023 to January 2024. Ms. Quinzani joined the Department in August 2016 as Director of Financial Analysis for DFA and in July 2017 became Director of MHF Finance for DFA. She came to the Department from the State of Florida, where she worked for the Florida Office of Financial Regulation for seven years and was Area Financial Manager for the Division of Banking. Prior to her work with the State of Florida, she spent 16 years working in various capacities in community banks in the Orlando, Florida area. She holds a Bachelor of Arts degree in Finance from the University of Central Florida.

Eizebel Trojillo was appointed Deputy Director of the Division of Finance and Administration (DFA), effective May 2022. Prior to her appointment, Ms. Trojillo served as the Director of Budget Analysis for DFA, a position that she held since November 2019. Before joining the Department, Ms. Trojillo worked overseas with Royal Dutch Shell Philippines for 20 years, with her last position being the Downstream Compliance Manager in charge of Governance, Risk, and Sarbanes-Oxley Act Compliance. Ms. Trojillo holds a Bachelor of Science degree in Accounting from the Assumption College, Makati, Philippines, and is a Certified Public Accountant (Philippines chapter).

Additional Information

For additional information, please contact Investor Relations via phone at (301) 429-7897 or via email at cdabonds_mailbox.DHCD@maryland.gov

APPENDIX H
COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
FINANCIAL STATEMENTS

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



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**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development
Lanham, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Community Development Administration Residential Revenue Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2025 and 2024, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Maryland 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.

Emphasis of Matter

Financial Statement Presentation

As discussed in Note 1, the financial statements present only the financial position, the changes in financial position and cash flows of the Fund and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' 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 auditors' 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 Fund'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.

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

Management has elected to omit the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to 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. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Disclosure of Changes in Fair Value of Investments and Mortgage-Backed Securities, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the Fund’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 Fund’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 Fund’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 26, 2025

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF NET POSITION
(in thousands)
JUNE 30, 2025 AND 2024

	2025	2024
RESTRICTED ASSETS		
RESTRICTED CURRENT ASSETS		
Cash and Cash Equivalents on Deposit	\$ 698,641	\$ 614,638
Investments	425,736	216,154
Mortgage-Backed Securities	214,857	131,625
Single-Family Mortgage Loans	16,239	17,087
Multi-Family Mortgage Loans	519	556
Business Loans	208	-
Accrued Interest and Other Receivables	45,086	34,184
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	767	2,700
Real Estate Owned	721	1,330
Total Restricted Current Assets	1,402,774	1,018,274
RESTRICTED LONG-TERM ASSETS		
Investments, Net of Current Portion	18,038	7,808
Mortgage-Backed Securities, Net of Current Portion	2,708,884	2,217,744
Single-Family Mortgage Loans, Net of Current Portion and Allowance	355,874	374,630
Multi-Family Mortgage Loans, Net of Current Portion	2,261	2,762
Business Loans, Net of Current Portion	8,104	-
Total Restricted Long-Term Assets	3,093,161	2,602,944
Total Restricted Assets	\$ 4,495,935	\$ 3,621,218
LIABILITIES		
CURRENT LIABILITIES		
Accrued Interest Payable	\$ 53,942	\$ 41,384
Accounts Payable	2,514	2,608
Rebate Liability	875	-
Bonds Payable	560,772	295,768
Deposits by Borrowers	1,095	840
Total Current Liabilities	619,198	340,600
LONG-TERM LIABILITIES		
Rebate Liability, Net of Current Portion	1,625	1,298
Bonds Payable, Net of Current Portion	3,444,945	2,970,009
Deposits by Borrowers, Net of Current Portion	951	715
Total Long-Term Liabilities	3,447,521	2,972,022
Total Liabilities	4,066,719	3,312,622
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow on Refunding of Bond Debt	412	442
NET POSITION		
Restricted by Bond Indenture	428,804	308,154
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,495,935	\$ 3,621,218

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
OPERATING REVENUE		
Interest on Mortgage Loans	\$ 19,117	\$ 21,129
Interest on Mortgage-Backed Securities	134,039	99,908
Realized Gains on Sale of Mortgage-Backed Securities	16,892	8,562
Interest Income on Investments, Net of Rebate	41,322	34,359
Increase in Fair Value of Investments	484	2,234
Gain on Early Retirement of Debt	7,833	6,067
Other Operating Revenue	15	5
Total Operating Revenue	219,702	172,264
OPERATING EXPENSES		
Interest Expense on Bonds	146,043	110,360
Professional Fees and Other Operating Expenses	16,057	15,232
Decrease in Provision for Loan Losses	(180)	(828)
Other Loan Losses and Write-Offs	15	-
(Recoveries) Losses and Expenses on Real Estate Owned, Net	(36)	345
Recoveries on Foreclosure Claims, Net	(67)	(305)
Bond Issuance Costs	5,903	7,619
Total Operating Expenses	167,735	132,423
Operating Income	51,967	39,841
NONOPERATING INCOME (EXPENSES)		
Increase (Decrease) in Fair Value of Mortgage-Backed Securities	70,371	(13,072)
Transfer of Funds as Permitted by the Resolution	(1,688)	(8,000)
CHANGE IN NET POSITION	120,650	18,769
NET POSITION - RESTRICTED AT BEGINNING OF YEAR	308,154	289,385
NET POSITION - RESTRICTED AT END OF YEAR	\$ 428,804	\$ 308,154

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal and Interest Received on Mortgage Loans	\$ 52,031	\$ 60,027
Principal and Interest Received on Mortgage-Backed Securities	296,557	226,207
Escrow Funds Received on Multi-Family Loans	1,095	814
Escrow Funds Paid on Multi-Family Loans	(604)	(1,187)
Mortgage Insurance Claims and Other Loan Proceeds Received	4,610	7,607
Foreclosure Expenses Paid	(563)	(1,261)
Purchase of Mortgage Loans	(13,757)	(16,366)
Purchase of Mortgage-Backed Securities	(953,776)	(999,845)
Funds Received from Sale of Mortgage-Backed Securities	301,282	174,120
Professional Fees and Other Operating Expenses	(16,065)	(15,257)
Other Income Received	15	5
Other Disbursements, Net	(4,425)	(2,003)
Net Cash Used by Operating Activities	(333,600)	(567,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities or Sales of Investments, Net of Cash Equivalents	680,613	494,100
Purchases of Investments, Net of Cash Equivalents	(896,983)	(331,489)
Interest Received on Investments	33,734	34,053
Net Cash (Used) Provided by Investing Activities	(182,636)	196,664
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Bonds	1,135,883	1,157,079
Payments on Bond Principal	(385,398)	(411,358)
Bond Issuance Costs	(5,781)	(7,758)
Interest on Bonds	(136,227)	(98,595)
Transfers Among Funds	(10,000)	(8,000)
Net Cash Provided by Noncapital Financing Activities	598,477	631,368
NET INCREASE IN CASH AND CASH EQUIVALENTS		
ON DEPOSIT	82,241	260,893
Adjustments to Report Cash Equivalents at Fair Value:		
Amortized Investment Discount on Cash Equivalents	1,762	63
Decrease in Fair Value on Cash Equivalents	-	(1)
ADJUSTED NET INCREASE IN CASH AND CASH EQUIVALENTS		
ON DEPOSIT	84,003	260,955
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	614,638	353,683
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	\$ 698,641	\$ 614,638

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income	\$ 51,967	\$ 39,841
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Amortization of Investment Premiums/Discounts	(4,720)	(2,168)
Amortization of Bond Original Issue Premiums	(2,742)	(2,757)
Decrease in Provision for Loan Losses	(180)	(828)
Increase in Fair Value of Investments	(484)	(2,234)
Gain on Early Retirement of Debt	(7,833)	(6,067)
Bond Issuance Costs	5,781	7,758
Interest Received on Investments	(33,734)	(34,053)
Interest on Bonds	136,227	98,595
Decrease (Increase) in Assets:		
Mortgage Loans	20,326	25,330
Mortgage-Backed Securities	(504,001)	(703,955)
Accrued Interest and Other Receivables	(10,902)	(4,508)
Claims Receivable on Foreclosed and Other Loans	1,929	1,846
Real Estate Owned	609	590
Increase (Decrease) in Liabilities:		
Accrued Interest Payable	12,558	14,522
Accounts Payable	(94)	24
Rebate Liability	1,202	1,298
Deposits by Borrowers	491	(373)
Net Cash Used by Operating Activities	\$ (333,600)	\$ (567,139)

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 1 AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) was created in 1970 by Sections 266 DD-1 to 266 DD-8 of Article 41 (now in Sections 4-101 through 4-255 of the Housing and Community Development Article) of the Annotated Code of Maryland to meet the shortage of adequate, safe, and sanitary housing in the state of Maryland, particularly for persons or families of limited income. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

The accompanying financial statements only include CDA's Residential Revenue Bonds (the Fund). CDA's other Funds are not included. The Fund was established to issue bonds primarily to originate or purchase single-family mortgage loans.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Fund is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The basis of accounting for the Fund is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of the Fund are included on the Statements of Net Position. The Fund is required to follow all statements of the Governmental Accounting Standards Board (GASB).

Accounting Principles Generally Accepted in the United States of America

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by GASB. Consequently, CDA applies all applicable GASB pronouncements.

In accordance with accounting guidance issued by GASB, net position should be reported as restricted when constraints placed on net position use is either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Fund is restricted as to its use as the net position is pledged to bondholders.

Since CDA is an enterprise fund included in the state of Maryland's Annual Comprehensive Financial Report, a separate Management's Discussion and Analysis is not included in these financial statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents on Deposit

Cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily obligations of the U.S. Treasury and U.S. government agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2025 and 2024, all of the Fund's cash equivalents were invested in a money market mutual fund. Cash equivalents are more fully described in Note 3.

Investments

Investments are principally governmental debt securities or investment agreements collateralized by governmental debt securities. Debt securities are stated at fair value, based on quoted market prices. Investments are classified as current or long-term based on the maturity date or call date, with the exception of State Housing Agency (HFA) Variable Rate Demand Obligations (VRDO) which are short-term (7-day) instruments that can be tendered at 7 days' notice. Callable investments are classified as current, if exercise of the call within the next fiscal year is probable. Investments are more fully described in Note 3.

Mortgage-Backed Securities

These guaranteed securities are issued in connection with mortgage loans on single-family homes. They are stated at fair value, based on quoted market prices. Mortgage-backed securities are more fully described in Note 3.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balances, net of allowance for loan losses. Any single-family mortgage loan in foreclosure with a pending insurance claim is recorded as claims receivable. See Notes 4 and 13 for additional information on mortgage loans and mortgage insurance, respectively.

Accrued Interest and Other Receivables

Accrued interest and other receivables include interest on loans and investments. On insured single-family loans, interest ceases to accrue after foreclosure. On insured multi-family mortgage loans that are in default, CDA continues to accrue interest until receipt of a mortgage insurance claim. See Note 5 for additional information.

Claims Receivable on Foreclosed and Other Loans

Claims receivable on foreclosed and other loans include insured single-family loans that are in foreclosure or other single-family loans with pending insurance claims, recorded net of allowance. These loans are primarily insured by U.S. Government Agencies or private mortgage insurers. Foreclosed loans insured by private mortgage insurers are held in this account until the insurer has made a final determination as to claim payment or transfer of the property to CDA.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Real Estate Owned

Real estate owned represents real estate acquired through foreclosure or deeds-in-lieu and is stated at the lower of cost or fair value less estimated costs to sell. Expenses incurred related to real estate owned are reported on the Statements of Revenue, Expenses and Changes in Net Position.

Allowance for Loan Losses

Substantially all single-family mortgage loans of the Fund are insured or guaranteed by agencies of the U.S. Government, the Maryland Housing Fund (MHF), or private mortgage insurers. Most primary coverage levels range from 25% to 100% of the loan. As of June 30, 2025 and 2024, CDA has established an allowance for loan losses on the uninsured portions of single-family mortgage loans. CDA has also established an allowance for loan losses on single-family loans that are in foreclosure. Management believes the allowance established is adequate based on prior experience and evaluations from DHCD's asset management group as well as a current assessment of probability and risk of loss due to default or deteriorating economic conditions. Multi-family mortgage loans of the Fund are insured or guaranteed; as such, no allowance for loans losses was necessary as of June 30, 2025 and 2024. See Note 4 for additional information on allowance for loan losses.

Bond Issuance Costs

Bond issuance costs are recognized and expensed in the period incurred.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized original issue discounts or premiums. However, in an economic refunding, any costs incurred from the refunding of bonds would be reported as deferred outflows or inflows of resources on the Statements of Net Position. See Notes 6, 7, 8, 9 and 11 for additional information on bonds.

Deposits by Borrowers

This account consists of escrows and reserves held by CDA on behalf of multi-family housing developments. CDA invests these deposits and, for reserves, allows earnings to accrue to the benefit of the mortgagor. Escrows represent amounts held by CDA for mortgage insurance and hazard insurance premiums and real estate taxes, all of which are generally paid annually and which are classified as a current liability. Based on the current year's reserve disbursements, CDA has estimated the current reserve liability. The balance of the reserves is classified as long term. See Note 11 for further information on changes in long-term obligations.

Rebate Liability on Investments

Regulations governing the issuance of tax-exempt debt place limitations on permitted investment yield on borrowed funds. Based on these regulations, CDA is required to periodically rebate excess earnings from investments to the United States Treasury. In addition, the liability may also include an estimate of the rebate obligation related to unrealized gains as a result of recording investments at fair value. Rebate liability is more fully described in Note 10.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgage Yield Limitations

All mortgage loans are subject to yield limitations under the Internal Revenue Code (IRC) in order for the associated bonds to maintain their tax-exempt status. At the time of bond issuance and over the term of the bonds, CDA determines and maintains compliance with the permitted mortgage yield on the loans. In certain bond refunding transactions, CDA transfers loans from prior series of bonds to the refunding series. CDA monitors the yield on these transferred loans to ensure that the composite yield over the term of the bonds is within the yield limitations of the IRC. If at any time the composite yields on the transferred loans are out of compliance with the IRC, CDA has certain remedies available to bring the yield into compliance. As of June 30, 2025 and 2024, all mortgage loan yields were in compliance with the IRC.

Interest on Mortgage Loans and Mortgage-Backed Securities

Interest on mortgage loans and mortgage-backed securities is calculated using the effective interest method.

Administrative Support

In addition to expenses incurred directly by the Fund, CDA receives certain support services from other divisions of DHCD. Support services and the operating expenses of CDA have been allocated to CDA's General Bond Reserve Fund and reported in the financial statements of CDA's Revenue Obligation Funds. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

The employees of CDA are covered by the Maryland State Retirement and Pension System. See Note 14 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from nonoperating items in accordance with accounting guidance issued by GASB. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the state of Maryland. The Fund's activities are considered to be operating except for increases and decreases in the fair value of mortgage-backed securities that are held within the portfolio. Mortgage-backed securities that are part of the To Be Announced (TBA) Mortgage-Backed Securities program are classified as operating which is more fully described in Note 3.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from these estimates.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities, and investments are invested in authorized investments as defined in the Residential Revenue Bond Resolution (the Resolution) and in CDA's Investment Policy until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying bond debt service, or redeeming outstanding bonds and funding program expenses. Authorized investments include State Housing Finance Agency (HFA) Variable Rate Demand Obligations (VRDO), obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, investment agreements, money market funds, and certificates of deposit.

The following assets, reported at fair value and held by the Fund as of June 30, 2025 and 2024, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	2025	2024
Cash and Cash Equivalents:		
BlackRock Liquidity FedFund		
Administration Shares	\$ 690,634	\$ 606,900
Demand Deposit Account	8,007	7,738
Investments:		
State HFA VRDOs	25,465	25,465
U.S. Treasury Securities	410,454	190,689
Obligations of U.S. Government Agencies	5,447	5,400
Repurchase and Investment Agreements	2,408	2,408
Mortgage-Backed Securities:		
GNMA Mortgage-Backed Securities	1,641,191	1,330,430
FNMA Mortgage-Backed Securities	841,255	705,637
FHLMC Mortgage-Backed Securities	441,295	313,302
Total	\$ 4,066,156	\$ 3,187,969

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, CDA's Investment Policy requires that the maturities of the investment portfolio are scheduled to meet the cash requirements for bond debt service, projected loan originations and ongoing operations.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Interest Rate Risk (Continued)

As of June 30, 2025, the amortized cost, fair value, and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in Years)				
			Less Than 1	1 - 5	6 - 10	11 - 15	More Than 15
BlackRock Liquidity FedFund Administration Shares	\$ 690,634	\$ 690,634	\$ 690,634	\$ -	\$ -	\$ -	\$ -
Demand Deposit Account	8,007	8,007	8,007	-	-	-	-
State HFA VRDOs	25,465	25,465	25,465	-	-	-	-
U.S. Treasury Securities	410,392	410,454	400,271	10,183	-	-	-
Obligations of U.S. Government Agencies	4,877	5,447	-	3,141	2,306	-	-
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	1,232	1,176	-	-
GNMA Mortgage-Backed Securities	1,673,445	1,641,191	-	-	-	-	1,641,191
FNMA Mortgage-Backed Securities	865,727	841,255	-	-	-	-	841,255
FHLMC Mortgage-Backed Securities	436,630	441,295	-	-	-	-	441,295
Total	\$ 4,117,585	\$ 4,066,156	\$ 1,124,377	\$ 14,556	\$ 3,482	\$ -	\$ 2,923,741

As of June 30, 2024, the amortized cost, fair value, and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in Years)				
			Less Than 1	1 - 5	6 - 10	11 - 15	More Than 15
BlackRock Liquidity FedFund Administration Shares	\$ 606,900	\$ 606,900	\$ 606,900	\$ -	\$ -	\$ -	\$ -
Demand Deposit Account	7,738	7,738	7,738	-	-	-	-
State HFA VRDOs	25,465	25,465	25,465	-	-	-	-
U.S. Treasury Securities	191,062	190,689	190,689	-	-	-	-
Obligations of U.S. Government Agencies	4,879	5,400	-	3,124	2,276	-	-
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	1,232	1,176	-	-
GNMA Mortgage-Backed Securities	1,401,795	1,330,430	-	-	-	-	1,330,430
FNMA Mortgage-Backed Securities	750,112	705,637	-	-	-	-	705,637
FHLMC Mortgage-Backed Securities	319,894	313,302	-	-	-	-	313,302
Total	\$ 3,310,253	\$ 3,187,969	\$ 830,792	\$ 4,356	\$ 3,452	\$ -	\$ 2,349,369

The current portions of Mortgage-Backed Securities classified as current assets on the Statements of Net Position for the years ended June 30, 2025 and 2024 in the amounts of \$214,857 and \$131,625, respectively, represent principal repayments expected to be received within the next twelve months, including both scheduled repayments and anticipated prepayments, and are not reflected in the tables above as current.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

The BlackRock Liquidity FedFund Administration Shares invests primarily in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash and operates in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. It can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. As noted above, as of June 30, 2025 and 2024, the cost of the money market mutual fund approximated fair value.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither CDA's Investment Policy nor the Resolution requires investment agreements or deposits to be collateralized. CDA's Investment Policy places no limit on the amount that CDA may invest in any one issuer or counterparty. According to the Resolution and CDA's Investment Policy, securities must be at a rating no lower than the rating on the bonds or, if an investment maintains only a short-term rating, a rating not less than F1/P-1; and financial institutions who are a counterparty to CDA in investment agreements must be rated at least comparable to the existing rating on CDA bonds unless counterparty ratings lower than the bond ratings are permitted and do not affect the ratings on the bonds. In addition, certain investment and repurchase agreements require counterparty ratings no less than the ratings on the bonds. As of June 30, 2025 and 2024, all counterparty ratings were at least equal to the ratings on the Fund's bonds. The ratings on Residential Revenue Bonds as of June 30, 2025 and 2024 were Aa1 by Moody's Investors Service and AA+ by Fitch Ratings. The following tables provide credit quality rating information for the investment portfolio and individual issuers if they represent 5% or more of total investments in accordance with accounting guidance issued by GASB.

The market value of the underlying collateralized securities in repurchase agreements and investment agreements is maintained at a minimum of 102% of the principal of and accrued interest on the invested funds by marking to market at least weekly and using an immediate under value cure provision.

The State HFA VRDOs held in CDA's investment portfolio are short-term (7-day) instruments that can be tendered at 7 days' notice at par. The rate is reset weekly by a remarketing agent, therefore the market value of the bonds is approximately 100% of the principal amount of the bonds during any period.

In order to facilitate a transaction with a liquidity provider, CDA has invested in a demand deposit account that is classified as cash and cash equivalents. This investment is backed by an Irrevocable Standby Letter of Credit dated July 26, 2021, that was established by the Federal Home Loan Bank of Pittsburgh, and is automatically extended each year until July 27, 2026. This date corresponds with the termination date of the standby purchase agreement.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Credit Risk and Concentration of Credit Risk (Continued)

As of June 30, 2025, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Securities Credit Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	\$ 690,634	16.98%	Aaa-mf		Moody's
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	1,641,191	40.36%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	841,255	20.69%		Aa1	Moody's
Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-Backed Securities	441,295	10.85%		Aa1	Moody's
U.S. Treasury Securities	410,454	10.09%		Direct U.S. Obligations	

As of June 30, 2024, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Securities Credit Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	\$ 606,900	19.04%	Aaa-mf		Moody's
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	1,330,430	41.73%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	705,637	22.13%		Aaa	Moody's
Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-Backed Securities	313,302	9.83%		Aaa	Moody's
U.S. Treasury Securities	190,689	5.98%		Direct U.S. Obligations	

Mortgage-Backed Securities

All mortgage-backed securities held by CDA are guaranteed by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Corporation (Freddie Mac).

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NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Mortgage-Backed Securities (Continued)

GNMA mortgage-backed securities are instrumentalities of the United States Government and are “fully modified pass-through” mortgage-backed securities which require monthly payments by a Federal Housing Administration (FHA), Veterans Administration (VA) or United States Department of Agriculture Rural Development (USDA RD) lender, as the issuer of the guaranteed security to CDA. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed securities are “guaranteed mortgage pass-through securities” which supplement amounts received by a trust created under a trust agreement as required permitting timely payments of principal and interest on the securities to CDA. The securities and payments of principal and interest on the securities are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae or Freddie Mac.

As an investor of GNMA I mortgage-backed securities (MBS), CDA receives separate principal and interest payments on the 15th of each month; however, for GNMA II MBS, CDA receives the total principal and interest from a central paying agent on the 20th of each month. CDA receives the total principal and interest from the trustee on the 25th of each month for both Fannie Mae and Freddie Mac securities and on the 15th of each month for some Freddie Mac securities. All mortgages backing a GNMA I MBS have the same mortgage rate equal to 50 basis points greater than the coupon, with 44 basis points of servicing fee and 6 basis points of guaranty fee. Similarly, GNMA II MBS also have 6 basis points of guaranty fee, but the mortgage rate for the loans backing the security can vary between 25 to 75 basis points greater than the coupon which may result in a variety of servicing fees. As of June 30, 2025, Fannie Mae and Freddie Mac securities have a guaranty fee of approximately 49 basis points and a servicing fee of 25 basis points. CDA also participates from time to time in the Fannie Mae or Freddie Mac buy-up or buy-down of the guaranty fee created in the pooling process in order to maximize pooling of securities for efficiency and effectiveness.

In January 2012, CDA expanded the sources of financing for its mortgage-backed securities program through the ongoing sale of forward contracts of GNMA, Fannie Mae, or Freddie Mac mortgage-backed securities. These securities are comprised of single family mortgage loans originated by CDA’s network of approved lender partners. As part of this program, CDA periodically enters into forward contracts to sell GNMA, Fannie Mae or Freddie Mac mortgage-backed securities to investors before the securities are ready for delivery (referred to as to-be-announced or TBA Mortgage-Backed Security Contract). These forward contracts are settled monthly, using funds held in Residential Revenue Bonds’ additional collateral account, prior to being sold into the secondary market. As of June 30, 2025, CDA entered into TBA Mortgage-Backed Security Contracts with a notional amount of \$4,900 outstanding. At June 30, 2024, the notional amount outstanding was \$5,900. The increase/decrease in the fair value of GNMA, Fannie Mae or Freddie Mac mortgage-backed securities that are part of the TBA program is classified as operating revenue on the Statements of Revenue, Expenses, and Changes in Net Position.

**COMMUNITY DEVELOPMENT ADMINISTRATION
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NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, CDA will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2025 and 2024, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. CDA's investments and collateralized securities are held in trust by the trustee or the trustee's agent, kept separate from the assets of the bank and from other trust accounts and are held in CDA's name.

Fair Value Measurements

CDA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments in money market mutual funds are not subject to the fair value measurement requirements.

The Fund has the following recurring fair value measurements as of June 30, 2025 and 2024:

- U.S. Government Agencies of \$5,447 and \$5,400, respectively, are valued using quoted market prices (Level 1).
- U.S. Treasury Securities of \$410,454 and \$190,689, respectively, are valued using quoted market prices (Level 1).
- State HFA VRDOs of \$25,465 are valued using the matrix pricing technique (Level 2).
- GNMA, FNMA, and FHLMC mortgage-backed securities of \$2,923,741 and \$2,349,369, respectively, are valued using the matrix pricing technique (Level 2).

NOTE 4 MORTGAGE LOANS

Substantially all of the Fund's single family mortgage loans are secured by first liens on the related property. Approximately 94% of all single family outstanding loan amounts are credit enhanced through the FHA mortgage insurance programs, the VA and USDA RD guarantee programs, Maryland Housing Fund (MHF), or by private mortgage insurance policies. As of June 30, 2025 and 2024, interest rates on such loans ranged from 0.00% to 9.50% with remaining loan terms ranging approximately from less than 1 year to 42 years and less than 1 year to 40 years, respectively.

All of the Fund's multi-family mortgage loans are credit-enhanced through FHA or MHF. As of June 30, 2025 and 2024, interest rates on such loans ranged from 5.75% to 8.25%, with remaining loan terms ranging from less than 1 year to 10 years and from less than 1 year to 11 years, respectively.

COMMUNITY DEVELOPMENT ADMINISTRATION
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JUNE 30, 2025 AND 2024

NOTE 4 MORTGAGE LOANS (CONTINUED)

On June 30, 2025, CDA transferred all business loans, amounting to a total of \$8,312, from the General Bond Reserve Fund into the Residential Revenue Bond Indenture. A corresponding gain of the same amount was recognized in the Residential Revenue Bond Indenture.

For the years ended June 30, 2025 and 2024, the mortgage loan and claims receivable balances, net of the allowances for loan losses on the multi-family loans and on the uninsured portions of single family loans, including loans in foreclosure and other loans with pending insurance claims, were as follows:

	2025	2024
Single Family Mortgage Loans	\$ 373,471	\$ 393,259
Allowance for Loan Losses	(1,358)	(1,542)
Single Family Mortgage Loans, Net of Allowance	<u>\$ 372,113</u>	<u>\$ 391,717</u>
Multi-Family Mortgage Loans	\$ 2,780	\$ 3,318
Allowance for Loan Losses	-	-
Multi-Family Mortgage Loans, Net of Allowance	<u>\$ 2,780</u>	<u>\$ 3,318</u>
Business Loans	\$ 8,312	\$ -
Allowance for Loan Losses	-	-
Business Loans, Net of Allowance	<u>\$ 8,312</u>	<u>\$ -</u>
Claims Receivable on Foreclosed and Other Loans	\$ 870	\$ 3,022
Allowance for Loan Losses	(103)	(322)
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	<u>\$ 767</u>	<u>\$ 2,700</u>

NOTE 5 ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2025 and 2024 were as follows:

	2025	2024
Accrued Mortgage Loan Interest	\$ 2,414	\$ 2,872
Accrued Mortgage-Backed Securities Interest	12,769	9,902
Accrued Investment Interest	10,712	6,558
Reimbursement Due for State-Funded Loans	15,977	11,102
Reimbursement Due for Pre-Foreclosure Costs		
Incurred on Mortgage Loans	2,918	3,455
Miscellaneous Billings	296	295
Total	<u>\$ 45,086</u>	<u>\$ 34,184</u>

**COMMUNITY DEVELOPMENT ADMINISTRATION
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NOTE 6 SHORT-TERM DEBT

CDA issues short-term debt to preserve expiring volume cap and to facilitate the refunding of prepayments and repayments from existing mortgages. Proceeds of the short-term debt are used to refund and to pay at maturity prior series of bonds. At the time of the refunding, prepayments and repayments of mortgage loans financed by these prior series of bonds are transferred to accounts in the short-term series. CDA expects to make these funds available to purchase mortgage loans upon the maturity or earlier redemption of the short-term debt. CDA issues long-term refunding bonds to redeem the short-term debt and the prepayments and repayments are used to fund new mortgages. During the fiscal year 2025, CDA issued \$408,627 of 2024 Series G short-term debt, with a remaining balance of \$393,627 as of June 30, 2025. During the fiscal year 2024, CDA issued \$199,568 of 2023 Series G short-term debt, with a remaining balance of \$159,568 as of June 30, 2024 and a remaining balance of \$0 as of June 30, 2025.

NOTE 7 BONDS PAYABLE

The bonds and notes issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the Resolution. These bonds and notes do not constitute debt of and are not guaranteed by the State of Maryland or any other program of the State of Maryland or any political subdivision.

The provisions of the Resolution require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. All outstanding bonds are subject to optional redemption, in whole or in part at any time, after certain dates, as specified in the respective series resolutions, at a redemption price equal to the principal amount thereof to be redeemed. When bonds are redeemed, whether as a special or optional redemption, CDA writes off a proportionate share of any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying Statements of Revenue, Expenses, and Changes in Net Position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

The following lists those bonds which are at variable rates and the terms by which the variable rates change. All other bonds have fixed interest rates.

2006 Series G and J; 2012 Series B; and 2014 Series F.

The rate is set weekly by a remarketing agent so that the market value of the bonds is as close as possible to 100% of the principal amount of the bonds. In no event will the bonds bear interest at a rate in excess of 12%.

The following bonds are taxable. All other bonds are tax-exempt.

2012 Series B; 2014 Series E and F; 2015 Series B; 2016 Series A; 2017 Series A; 2019 Series D; 2021 Series D; 2022 Series B and C; 2023 Series B; 2023 Series D; 2023 Series F; 2024 Series B; 2024 Series D; 2024 Series F; 2025 Series B and 2025 Series D.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
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NOTE 7 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2025, and the debt outstanding and bonds payable as of June 30, 2025:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt	Bond Activity			Debt	Bond	Bonds
				Outstanding	New Bonds Issued	Scheduled		Outstanding	Premium/	Payable
				at June 30, 2024		Maturity Payments	Bonds Redeemed	at June 30, 2025	Discount Deferred	at June 30, 2025
Residential Revenue Bonds										
2006 Series G	05/24/06	Variable Rate	2027-2040	\$ 10,130	\$ -	\$ -	\$ (1,900)	\$ 8,230	\$ -	\$ 8,230
2006 Series J	07/13/06	Variable Rate	2029-2040	39,310	-	-	(2,005)	37,305	-	37,305
2012 Series B	08/23/12	Variable Rate	2025-2033	44,345	-	-	(285)	44,060	-	44,060
2014 Series B	02/20/14	N/A	N/A	500	-	-	(500)	-	-	-
2014 Series C	09/25/14	2.95% - 4.00%	2025-2044	11,945	-	(1,715)	(400)	9,830	35	9,865
2014 Series D	09/25/14	4.00%	2031-2036	1,095	-	-	(520)	575	32	607
2014 Series E	09/25/14	3.696% - 4.146%	2025-2029	10,770	-	(1,920)	(685)	8,165	-	8,165
2014 Series F	09/25/14	Variable Rate	2041-2044	23,770	-	-	-	23,770	-	23,770
2015 Series A	12/03/15	2.80% - 3.50%	2025-2045	1,850	-	(225)	(420)	1,205	27	1,232
2015 Series B	12/03/15	3.16%	2032-2041	2,605	-	-	(2,090)	515	-	515
2016 Series A	08/31/16	2.763% - 3.797%	2025-2047	156,555	-	(8,855)	(3,450)	144,250	202	144,452
2017 Series A	04/27/17	3.242% - 4.103%	2025-2048	91,735	-	(7,270)	(3,850)	80,615	-	80,615
2018 Series A	11/08/18	3.00% - 4.50%	2025-2048	31,735	-	(1,070)	(6,960)	23,705	1,177	24,882
2018 Series B	11/08/18	4.50%	2036-2048	16,530	-	-	(4,180)	12,350	632	12,982
2019 Series A	03/13/19	2.25% - 4.25%	2025-2049	38,630	-	(2,540)	-	36,090	778	36,868
2019 Series B	06/13/19	2.00% - 5.00%	2025-2049	122,250	-	(3,310)	(5,755)	113,185	3,445	116,630
2019 Series C	10/16/19	1.80% - 5.00%	2025-2050	222,910	-	(5,445)	(12,310)	205,155	7,373	212,528
2019 Series D	10/16/19	2.248% - 2.931%	2025-2050	11,810	-	(675)	(1,175)	9,960	-	9,960
2020 Series A	02/25/20	1.25% - 3.75%	2025-2050	99,240	-	(2,900)	(4,715)	91,625	2,334	93,959
2020 Series D	08/27/20	0.75% - 3.25%	2025-2050	129,210	-	(4,345)	(7,930)	116,935	2,703	119,638
2021 Series A	02/25/21	0.40% - 3.00%	2025-2051	170,750	-	(5,430)	(11,145)	154,175	3,932	158,107
2021 Series B	08/26/21	0.55% - 3.00%	2025-2051	150,195	-	(4,355)	(9,510)	136,330	3,801	140,131
2021 Series C	12/14/21	1.10% - 3.00%	2027-2051	212,420	-	-	(12,230)	200,190	4,415	204,605
2021 Series D	12/14/21	1.45% - 1.80%	2025-2027	18,995	-	(6,215)	-	12,780	-	12,780
2022 Series A	06/15/22	3.80% - 5.00%	2030-2052	107,495	-	-	(6,865)	100,630	2,392	103,022
2022 Series B	06/15/22	3.491% - 4.638%	2025-2034	33,655	-	(2,590)	-	31,065	-	31,065
2022 Series C	09/15/22	3.803% - 5.091%	2025-2053	94,820	-	(1,765)	(7,820)	85,235	-	85,235
2022 Series D	12/14/22	3.35% - 6.00%	2025-2053	97,440	-	(1,585)	(3,665)	92,190	1,928	94,118
2023 Series A	05/11/23	2.90% - 5.50%	2025-2053	59,080	-	(735)	(1,700)	56,645	2,046	58,691
2023 Series B	05/11/23	4.383% - 5.750%	2025-2053	89,255	-	(1,535)	(6,320)	81,400	1,316	82,716
2023 Series C	08/15/23	3.25% - 5.75%	2025-2054	114,265	-	(1,365)	(1,715)	111,185	2,541	113,726
2023 Series D	08/15/23	4.982% - 6.00%	2025-2053	185,000	-	(2,970)	(7,120)	174,910	1,406	176,316
2023 Series E	11/14/23	3.65% - 6.25%	2025-2054	75,000	-	(1,040)	(1,615)	72,345	1,655	74,000
2023 Series F	11/14/23	5.455% - 6.362%	2025-2053	325,000	-	(4,065)	(6,345)	314,590	-	314,590
2023 Series G	12/19/23	N/A	N/A	159,568	-	(159,568)	-	-	-	-
2024 Series A	05/16/24	3.35% - 6.25%	2025-2055	40,000	-	(210)	(125)	39,665	1,294	40,959
2024 Series B	05/16/24	5.007% - 6.091%	2025-2054	210,000	-	(795)	(450)	208,755	-	208,755
2024 Series C	08/28/24	3.15% - 6.25%	2025-2055	-	47,375	-	(65)	47,310	1,881	49,191
2024 Series D	08/28/24	4.272% - 6.000%	2025-2055	-	100,000	-	(85)	99,915	1,403	101,318
2024 Series E	11/13/24	3.05% - 6.25%	2025-2055	-	40,000	-	-	40,000	2,312	42,312
2024 Series F	11/13/24	4.339% - 6.000%	2025-2055	-	80,000	-	-	80,000	446	80,446
2024 Series G	12/01/24	3.79% - 3.99%	2025-2055	-	408,627	-	(15,000)	393,627	-	393,627
2025 Series A	02/26/25	2.90% - 6.25%	2026-2056	-	75,975	-	-	75,975	1,997	77,972
2025 Series B	02/26/25	4.472% - 6.000%	2026-2055	-	174,025	-	-	174,025	861	174,886
2025 Series C	06/18/25	3.40% - 5.50%	2026-2056	-	45,000	-	-	45,000	731	45,731
2025 Series D	06/18/25	4.464% - 6.249%	2026-2055	-	155,000	-	-	155,000	155	155,155
Total				\$ 3,209,863	\$ 1,126,002	\$ (234,493)	\$ (150,905)	\$ 3,950,467	\$ 55,250	\$ 4,005,717

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NOTE 7 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2024, and the debt outstanding and bonds payable as of June 30, 2024:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt	Bond Activity			Debt	Bond	Bonds
				Outstanding at June 30, 2023	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Outstanding at June 30, 2024	Premium/Discount Deferred	Payable at June 30, 2024
Residential Revenue Bonds										
2006 Series G	05/24/06	Variable Rate	2027-2040	\$ 12,310	\$ -	\$ -	\$ (2,180)	\$ 10,130	\$ -	\$ 10,130
2006 Series J	07/13/06	Variable Rate	2029-2040	42,685	-	-	(3,375)	39,310	-	39,310
2012 Series A	08/23/12	N/A	N/A	245	-	-	(245)	-	-	-
2012 Series B	08/23/12	Variable Rate	2025-2033	44,580	-	-	(235)	44,345	2	44,347
2014 Series A	02/20/14	N/A	N/A	190	-	(190)	-	-	-	-
2014 Series B	02/20/14	3.25%	2032-2044	2,100	-	-	(1,600)	500	13	513
2014 Series C	09/25/14	2.80% - 4.00%	2024-2044	14,280	-	(1,670)	(665)	11,945	68	12,013
2014 Series D	09/25/14	4.00%	2031-2036	1,940	-	-	(845)	1,095	65	1,160
2014 Series E	09/25/14	3.596% - 4.146%	2024-2029	13,750	-	(1,855)	(1,125)	10,770	-	10,770
2014 Series F	09/25/14	Variable Rate	2041-2044	23,770	-	-	-	23,770	-	23,770
2015 Series A	12/03/15	2.625% - 3.50%	2024-2045	2,770	-	(210)	(710)	1,850	48	1,898
2015 Series B	12/03/15	3.16%	2032-2041	5,155	-	-	(2,550)	2,605	-	2,605
2016 Series A	08/31/16	2.613% - 3.797%	2024-2047	170,570	-	(8,410)	(5,605)	156,555	311	156,866
2017 Series A	04/27/17	3.153% - 4.103%	2024-2048	105,480	-	(6,865)	(6,880)	91,735	-	91,735
2018 Series A	11/08/18	2.90% - 4.50%	2024-2048	40,430	-	(1,105)	(7,590)	31,735	1,612	33,347
2018 Series B	11/08/18	4.50%	2036-2048	21,090	-	-	(4,560)	16,530	865	17,395
2019 Series A	03/13/19	2.125% - 4.25%	2024-2049	41,835	-	(2,490)	(715)	38,630	797	39,427
2019 Series B	06/13/19	1.950% - 5.00%	2024-2049	126,340	-	(3,245)	(845)	122,250	4,517	126,767
2019 Series C	10/16/19	1.70% - 5.00%	2024-2050	239,465	-	(5,360)	(11,195)	222,910	9,185	232,095
2019 Series D	10/16/19	2.094% - 2.931%	2024-2050	13,365	-	(665)	(890)	11,810	-	11,810
2020 Series A	02/25/20	1.15% - 3.75%	2024-2050	107,635	-	(2,775)	(5,620)	99,240	2,878	102,118
2020 Series B	02/25/20	N/A	N/A	115	-	(115)	-	-	-	-
2020 Series D	08/27/20	0.625% - 3.25%	2024-2050	141,510	-	(4,315)	(7,985)	129,210	3,608	132,818
2021 Series A	02/25/21	0.35% - 3.00%	2024-2051	183,760	-	(5,410)	(7,600)	170,750	5,284	176,034
2021 Series B	08/26/21	0.40% - 3.00%	2024-2051	162,030	-	(4,320)	(7,515)	150,195	4,900	155,095
2021 Series C	12/14/21	1.10% - 3.00%	2027-2051	221,540	-	-	(9,120)	212,420	5,543	217,963
2021 Series D	12/14/21	1.15% - 1.80%	2024-2027	25,125	-	(6,130)	-	18,995	-	18,995
2022 Series A	06/15/22	3.80% - 5.00%	2030-2052	111,610	-	-	(4,115)	107,495	2,846	110,341
2022 Series B	06/15/22	3.141% - 4.638%	2024-2034	36,155	-	(2,500)	-	33,655	-	33,655
2022 Series C	09/15/22	3.732% - 5.091%	2024-2053	98,720	-	(1,705)	(2,195)	94,820	-	94,820
2022 Series D	12/14/22	3.15% - 6.00%	2024-2053	100,000	-	(1,215)	(1,345)	97,440	2,218	99,658
2022 Series E	12/14/22	N/A	N/A	211,103	-	(211,103)	-	-	-	-
2023 Series A	05/11/23	2.90% - 5.50%	2024-2053	60,000	-	(360)	(560)	59,080	2,241	61,321
2023 Series B	05/11/23	4.383% - 5.750%	2024-2053	90,000	-	(745)	-	89,255	1,500	90,755
2023 Series C	08/15/23	3.25% - 5.75%	2024-2054	-	115,000	(450)	(285)	114,265	2,730	116,995
2023 Series D	08/15/23	4.982% - 6.00%	2024-2053	-	185,000	-	-	185,000	1,564	186,564
2023 Series E	11/14/23	3.60% - 6.25%	2024-2054	-	75,000	-	-	75,000	1,792	76,792
2023 Series F	11/14/23	5.432% - 6.362%	2024-2053	-	325,000	-	-	325,000	-	325,000
2023 Series G	12/19/23	4.40% - 4.68%	2024-2025	-	199,568	(40,000)	-	159,568	-	159,568
2024 Series A	05/16/24	3.35% - 6.25%	2025-2055	-	40,000	-	-	40,000	1,327	41,327
2024 Series B	05/16/24	5.007% - 6.091%	2025-2054	-	210,000	-	-	210,000	-	210,000
Total				\$ 2,471,653	\$ 1,149,568	\$ (313,208)	\$ (98,150)	\$ 3,209,863	\$ 55,914	\$ 3,265,777

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 8 DEBT SERVICE REQUIREMENTS

As of June 30, 2025, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2025 and excluding the effect of unamortized premiums as shown in Note 7) and interest payments for each of the next five years and in five-year increments thereafter, were as follows:

<u>Year Ending June 30,</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 162,624	\$ 560,772
2027	148,750	104,350
2028	145,297	108,035
2029	141,581	110,645
2030	137,648	114,630
2031 - 2035	624,344	579,195
2036 - 2040	513,313	611,250
2041 - 2045	385,911	611,810
2046 - 2050	237,979	643,540
2051 - 2055	70,874	494,935
2056 - 2060	348	11,305
Total	<u>\$ 2,568,669</u>	<u>\$ 3,950,467</u>

The interest calculations on outstanding variable rate bonds in the amount of \$113,365 are based on the variable rates in effect on June 30, 2025, and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

As of June 30, 2024, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2024 and excluding the effect of unamortized premiums as shown in Note 7) and interest payments for each of the next five years and in five-year increments thereafter were as follows:

<u>Year Ending June 30,</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 127,575	\$ 295,768
2026	121,073	84,250
2027	118,468	91,810
2028	115,503	93,645
2029	112,333	95,515
2030 - 2034	508,174	501,435
2035 - 2039	417,606	515,755
2040 - 2044	316,457	516,400
2045 - 2049	199,784	551,565
2050 - 2054	63,670	453,470
2055 - 2056	376	10,250
Total	<u>\$ 2,101,019</u>	<u>\$ 3,209,863</u>

The interest calculations on outstanding variable rate bonds in the amount of \$117,555 are based on the variable rates in effect on June 30, 2024, and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 9 BOND REFUNDINGS

Certain refundings of debt are due to the prepayments of single family mortgage loans. In these cases, CDA transfers the proceeds of the refunding bonds to a redemption account to redeem previously issued bonds and, simultaneously, transfers the prepayments of single family mortgage loans financed by these prior bonds to the refunding bonds' accounts for the purpose of originating new loans. This recycling of prepayments enables CDA to originate new loans that are not subject to the limitations of the IRS volume cap. CDA does not pay call premiums on these special redemptions, and the refundings are not undertaken to reduce interest rates, revise payment schedules, or modify restrictions related to the old debt. CDA writes off any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying statements of revenue, expenses, and changes in net position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

For current refundings of debt in an optional redemption, CDA replaces previously issued bonds for the purpose of lowering debt costs by reducing interest rates or for other purposes such as revising payment schedules or modifying restrictions related to the old debt. This type of transaction is commonly known as an economic refunding.

There were no economic refundings for the years ended June 30, 2025 and 2024.

NOTE 10 REBATE LIABILITY

In accordance with the Internal Revenue Code (IRC), the Fund may record a rebate liability for excess investment earnings in tax-exempt bond and note issues. The excess investment earnings arise due to actual investment yields earned by the Fund being greater than yields permitted to be retained by the Fund under the IRC. The IRC requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Statements of Revenue, Expenses, and Changes in Net Position is reduced by the rebate liability due to excess investment earnings. CDA has no rebate liability from interest income or from unrealized gains on mortgage-backed securities. For the years ended June 30, 2025 and 2024, the rebate liability was \$2,500 and \$1,298, respectively.

	2025	2024
Beginning Rebate Liability	\$ 1,298	\$ -
Change in Estimated Liability due to Excess Earnings (Calculated as of the Interim Computation Period Ending 6/30)	1,236	1,348
Less Payments Made	(34)	(50)
Ending Rebate Liability	\$ 2,500	\$ 1,298

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 11 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Rebate Liability:		
Beginning Balance at June 30,	\$ 1,298	\$ -
Additions	1,236	1,348
Reductions	(34)	(50)
Ending Balance at June 30,	2,500	1,298
Less Due Within One Year	(875)	-
Total Long-Term Rebate Liability	1,625	1,298
Bonds Payable:		
Beginning Balance at June 30,	3,265,777	2,528,845
Additions	1,126,002	1,149,568
Reductions	(385,398)	(411,358)
Change in Deferred Amounts for Issuance		
Premiums	(664)	(1,278)
Ending Balance at June 30,	4,005,717	3,265,777
Less Due Within One Year	(560,772)	(295,768)
Total Long-Term Bonds Payable	3,444,945	2,970,009
Deposits by Borrowers:		
Beginning Balance at June 30,	1,555	1,928
Additions	1,095	814
Reductions	(604)	(1,187)
Ending Balance at June 30,	2,046	1,555
Less Due Within One Year	(1,095)	(840)
Total Long-Term Deposits by Borrowers	951	715
Total Long-Term Liabilities	\$ 3,447,521	\$ 2,972,022

NOTE 12 INTERFUND ACTIVITY

In accordance with the Resolution, net position in the Fund is restricted and pledged to bondholders. However, restricted assets may be transferred to other Funds, subject to the provisions of the Resolution. Generally, an officer of CDA must authorize such withdrawals and a cash flow analysis must demonstrate that sufficient monies remain in the Resolution to meet the obligations of the Fund in current and future years.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 12 INTERFUND ACTIVITY (CONTINUED)

During the years ended June 30, 2025 and 2024, the Fund transferred the following amounts, as permitted, among Funds:

	<u>2025</u>	<u>2024</u>
Excess Revenue Transferred to the General Bond Reserve Fund	\$ (10,000)	\$ (8,000)
Business Loans Transferred to Residential Revenue Bonds	8,312	-
Total	<u>\$ (1,688)</u>	<u>\$ (8,000)</u>

NOTE 13 MORTGAGE INSURANCE

Substantially all mortgage loans in the Fund have mortgage insurance as described in Note 4.

Multi-family mortgagors pay premiums for mortgage insurance and insurance coverage is 100% of the unpaid principal balance of the loan.

For the single family loan portfolio, approximately 46% of the outstanding loan amounts are insured by agencies of the U.S. Government in an amount substantially equal to the unpaid principal amount of the loan. Approximately 48% of the outstanding loan amounts have primary mortgage insurance in an amount that is at least 25% of the loan amount. Approximately 6% of the outstanding loan amounts of the first lien loans either did not have primary mortgage insurance due to their original loan-to-value ratios of less than 80% or have cancelled primary mortgage insurance due to their outstanding balance falling below 80% of the original loan amount.

Approximately 48% of outstanding loan amounts are insured by private mortgage insurers and MHF. Approximately 99% of the outstanding loan amounts insured by private mortgage insurers and MHF are covered at 35% of the loan amount, while 1% of the outstanding loan amounts are covered at 25%. There are two private mortgage insurers who, due to financial constraints or receivership, are currently paying to CDA approximately three quarters of the amount determined to be due. These two private mortgage insurers represent approximately 2% of the outstanding loan amounts insured by private mortgage insurers and MHF.

An allowance for loan losses has been established for all the loans insured by FHA, VA, USDA RD, MHF and private mortgage insurers.

Mortgage insurance premiums are paid by single family mortgagors.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 14 PENSION AND OTHER POSTRETIREMENT BENEFITS

Eligible employees of CDA and employees of the state of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. CDA's only obligation for retirement and postemployment benefits is its required annual contribution, which was paid in full by CDA to the state of Maryland prior to year-end. The liability for the employees is recorded by the general fund of the state of Maryland and is not allocated to CDA. The System prepares a separate audited Annual Comprehensive Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.maryland.gov.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 15 SUBSEQUENT EVENTS

CDA has identified the following activity that occurred subsequent to June 30, 2025.

On July 1, 2025, CDA refunded \$25,000 of 2024 Series G-1 and G-5 Bonds.

On August 1, 2025, CDA refunded \$20,000 of 2024 Series G-2 and G-6 Bonds.

On August 27, 2025, CDA issued 2025 Series EF Bonds in the amount of \$250,000.

On August 29, 2025, CDA redeemed the following bonds:

2006 Series G	\$545
2006 Series J	\$1,035
2014 Series C	\$455
2014 Series D	\$575
2015 Series A	\$590
2015 Series B	\$515
2016 Series A	\$3,460
2017 Series A	\$3,245
2018 Series A	\$3,240
2018 Series B	\$1,945
2019 Series B	\$4,695
2019 Series C	\$6,455
2019 Series D	\$530
2020 Series A	\$2,800
2020 Series D	\$3,475
2021 Series A	\$4,510
2021 Series B	\$3,940
2021 Series C	\$6,070
2022 Series A	\$4,060
2022 Series C	\$2,670
2022 Series D	\$2,615
2023 Series A	\$1,230
2023 Series B	\$2,240
2023 Series C	\$1,390
2023 Series D	\$3,850
2023 Series E	\$1,360
2023 Series F	\$6,325
2024 Series A	\$210
2024 Series B	\$1,090
2024 Series C	\$250
2024 Series D	\$525
2024 Series E	\$180
2024 Series F	\$170
2025 Series B	\$110

On September 1, 2025, CDA refunded \$35,205 of 2024 Series G-2, G-3, G-6 and G-7 Bonds.

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF
INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)
JUNE 30, 2025 AND 2024**

In accordance with accounting guidance issued by GASB, CDA reflects investments and mortgage-backed securities at fair value, and the increase or decrease in fair value is included in the Statements of Revenue, Expenses, and Changes in Net Position.

For investments held by the Fund as of June 30, 2025, the following schedule summarizes annual increases/(decreases) in fair value and the cumulative difference between fair value and amortized cost:

<u>Fiscal Year Ended June 30,</u>	<u>Annual Increases/ (Decreases)</u>	<u>Cumulative Total</u>
2000	\$ (227)	\$ (227)
2001	551	324
2002	97	421
2003	544	965
2004	(674)	291
2005	403	694
2006	(1,567)	(873)
2007	1,062	189
2008	785	974
2009	46	1,020
2010	2,747	3,767
2011	(2,244)	1,523
2012	1,374	2,897
2013	(855)	2,042
2014	243	2,285
2015	43	2,328
2016	445	2,773
2017	(646)	2,127
2018	(866)	1,261
2019	768	2,029
2020	532	2,561
2021	(460)	2,101
2022	(3,527)	(1,426)
2023	(660)	(2,086)
2024	2,234	148
2025	484	632

**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS
SUPPLEMENTAL DISCLOSURE OF CHANGES IN FAIR VALUE OF
INVESTMENTS AND MORTGAGE-BACKED SECURITIES (CONTINUED)
(in thousands)
JUNE 30, 2025 AND 2024**

For mortgage-backed securities held by the Fund as of June 30, 2025, the following schedule summarizes annual increases/(decreases) in fair value and the cumulative difference between fair value and cost:

<u>Fiscal Year Ended June 30,</u>	<u>Annual Increases/ (Decreases)</u>	<u>Cumulative Total</u>
2011	\$ (585)	\$ (585)
2012	1,858	1,273
2013	(5,593)	(4,320)
2014	3,127	(1,193)
2015	503	(690)
2016	4,216	3,526
2017	(3,294)	232
2018	(4,093)	(3,861)
2019	23,239	19,378
2020	50,845	70,223
2021	(14,252)	55,971
2022	(115,172)	(59,201)
2023	(50,159)	(109,360)
2024	(13,072)	(122,432)
2025	70,371	(52,061)



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**COMMUNITY DEVELOPMENT ADMINISTRATION
RESIDENTIAL REVENUE BONDS**

**Unaudited Interim Financial Statements
For the six month period ended
December 31, 2025**

Community Development Administration
Residential Revenue Bonds
Statements of Net Position
(in thousands)

As of December 31, 2025 and June 30, 2025

	12/31/2025	6/30/2025
	(Unaudited)	(Audited)
Restricted assets		
Restricted current assets		
Cash and cash equivalents on deposit	\$ 788,695	\$ 698,641
Investments	681,639	425,736
Mortgage-backed securities	215,398	214,857
Single family mortgage loans	18,395	16,239
Multi-family mortgage loans	509	519
Business loans	215	208
Accrued interest and other receivables	42,084	45,086
Claims receivable on foreclosed and other loans, net of allowance	911	767
Real estate owned	830	721
Total restricted current assets	1,748,676	1,402,774
Restricted long-term assets		
Investments, net of current portion	7,835	18,038
Mortgage-backed securities, net of current portion	3,042,827	2,708,884
Single family mortgage loans, net of current portion and allowance	356,937	355,874
Multi-family mortgage loans, net of current portion	2,010	2,261
Business loans, net of current portion	7,994	8,104
Total restricted long-term assets	3,417,603	3,093,161
Total restricted assets	\$ 5,166,279	\$ 4,495,935
Liabilities		
Current liabilities		
Accrued interest payable	\$ 60,638	\$ 53,942
Accounts payable	2,578	2,514
Rebate liability	1,119	875
Bonds payable	534,301	560,772
Deposits by borrowers	984	1,095
Total current liabilities	599,620	619,198
Long-term liabilities		
Rebate liability, net of current portion	1,381	1,625
Bonds payable, net of current portion	4,059,893	3,444,945
Deposits by borrowers, net of current portion	1,141	951
Total long-term liabilities	4,062,415	3,447,521
Total liabilities	4,662,035	4,066,719
Deferred inflow of resources		
Deferred inflow on refunding of bond debt	394	412
Total deferred inflow of resources	394	412
Net position		
Restricted	503,850	428,804
Total liabilities, deferred inflow of resources and net position	\$ 5,166,279	\$ 4,495,935

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Revenue, Expenses and Changes in Net Position
(in thousands)

For the six months ended December 31, 2025 and December 31, 2024

	12/31/2025	12/31/2024
	(Unaudited)	(Unaudited)
Operating revenue		
Interest on mortgage loans	\$ 9,115	\$ 9,800
Interest on mortgage-backed securities	82,302	62,249
Increase in fair value of mortgage-backed securities	-	11
Realized gains on sale of mortgage-backed securities	12,238	12,660
Interest income on investments, net of rebate	21,500	20,288
(Decrease) increase in fair value of investments	(17)	381
Gain on early retirement of debt	4,215	3,363
Total operating revenue	129,353	108,752
Operating expenses		
Interest expense on bonds	87,777	67,762
Professional fees and other operating expenses	9,969	8,381
Increase in provision for loan losses	336	61
Other loan losses and write-offs	-	16
Losses and expenses on real estate owned, net	69	102
Recoveries on foreclosure claims and other loan losses, net	(199)	(35)
Bond issuance costs	3,387	2,438
Total operating expenses	101,339	78,725
Operating income	28,014	30,027
Nonoperating income		
Increase in fair value of mortgage-backed securities	47,032	18,027
Change in net position	75,046	48,054
Net position - restricted at beginning of period	428,804	308,154
Net position - restricted at end of period	\$ 503,850	\$ 356,208

See accompanying notes.

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows
(in thousands)

For the six months ended December 31, 2025 and December 31, 2024

	12/31/2025	12/31/2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Principal and interest received on mortgage loans	\$ 25,354	\$ 26,796
Principal and interest received on mortgage-backed securities	190,437	141,395
Escrow funds received on multi-family loans	401	291
Escrow funds paid on multi-family loans	(322)	(304)
Mortgage insurance claims and other loan proceeds received	1,083	2,489
Foreclosure expenses paid	(51)	(408)
Purchase of mortgage loans	(20,965)	(955)
Purchase of mortgage-backed securities	(602,592)	(495,295)
Funds received from sale of mortgage-backed securities	217,695	217,577
Professional fees and other operating expenses	(10,062)	(8,531)
Other reimbursements, net	3,784	188
Net cash from operating activities	<u>(195,238)</u>	<u>(116,757)</u>
Cash flows from investing activities		
Proceeds from maturities or sales of investments, net of cash equivalents	112,811	61,002
Purchases of investments, net of cash equivalents	(358,401)	(558,222)
Interest received on investments	22,695	19,495
Net cash from investing activities	<u>(222,895)</u>	<u>(477,725)</u>
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	817,921	682,124
Payments on bond principal	(223,880)	(137,950)
Bond issuance costs	(3,406)	(2,426)
Interest on bonds	(82,448)	(64,000)
Net cash from noncapital financing activities	<u>508,187</u>	<u>477,748</u>
Net increase (decrease) in cash and cash equivalents on deposit	90,054	(116,734)
Adjustments to report cash equivalents at fair value:		
Amortized investment discount on cash equivalents, net	<u>-</u>	<u>1,674</u>
Adjusted net increase (decrease) in cash and cash equivalents on deposit	90,054	(115,060)
Cash and cash equivalents on deposit at beginning of period	698,641	614,638
Cash and cash equivalents on deposit at end of period	<u>\$ 788,695</u>	<u>\$ 499,578</u>

(continued)

Community Development Administration
Residential Revenue Bonds

Statements of Cash Flows - continued
(in thousands)

For the six months ended December 31, 2025 and December 31, 2024

	12/31/2025	12/31/2024
	(Unaudited)	(Unaudited)
Reconciliation of operating income to net cash from operating activities		
Operating income	\$ 28,014	\$ 30,027
Adjustments to reconcile operating income to net cash from operating activities		
Amortization of investment discounts and premiums	(127)	(2,230)
Amortization of bond original issue discounts and premiums	(1,367)	(1,375)
Increase in provision for loan losses	336	61
Increase in fair value of mortgage-backed securities	-	(11)
Decrease (increase) in fair value of investments	17	(381)
Gain on early retirement of debt	(4,215)	(3,363)
Bond issuance costs	3,406	2,426
Interest received on investments	(22,695)	(19,495)
Interest on bonds	82,448	64,000
(Increase) decrease in assets		
Mortgage loans	(3,008)	16,450
Mortgage-backed securities	(287,452)	(210,012)
Accrued interest and other receivables	3,002	430
Claims receivables on foreclosed and other loans	(327)	1,812
Real estate owned	(109)	(84)
Increase (decrease) in liabilities		
Accrued interest payable	6,696	5,137
Accounts payable	64	(135)
Rebate liability	-	(1)
Deposits by borrowers	79	(13)
Net cash from operating activities	<u>\$ (195,238)</u>	<u>\$ (116,757)</u>

See accompanying notes.

Community Development Administration
Residential Revenue Bonds
Notes to Unaudited Interim Financial Statements
(in thousands)

December 31, 2025

1. Basis of Presentation:

In the opinion of management, the accompanying interim financial statements of the Community Development Administration (CDA) Residential Revenue Bonds present fairly the financial position at December 31, 2025 and the results of its operations for six months ended December 31, 2025 and December 31, 2024.

These interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations. The December 31, 2025 financial statements are unaudited, and certain information and footnote disclosures normally included in the annual financial statements have been omitted. Readers of these statements should refer to the financial statements and notes thereto as of June 30, 2025 and for the year then ended, which have been included elsewhere in this disclosure. The results of operations presented in the accompanying financial statements are not necessarily representative of operations for the entire year.

2. Investments and Mortgage-backed Securities:

In accordance with GASB 31, CDA reflects investments and mortgage-backed securities at fair value.

Investments

As of December 31, 2025, the fair value of investments was \$689,474 of which \$688,859 was the cost of these investments and \$615 was the cumulative increase in fair value. The decrease in fair value of investments for the six months ended December 31, 2025 was \$17.

Mortgage-backed Securities

As of December 31, 2025, the fair value of mortgage-backed securities was \$3,258,225 of which \$3,263,254 was the cost of these mortgage-backed securities and \$5,029 was the cumulative decrease in fair value. For the six months ended December 31, 2025, the fair value of mortgage-backed securities increased by \$47,032. Realized gains from the sale of mortgage-backed securities for the six months ended December 31, 2025 was \$12,238.

3. Mortgage Loans:

During the six months ended December 31, 2025, CDA purchased single family loans in the amount of \$20,965 and mortgage-backed securities in the amount of \$602,592.

4. Bonds Payable:

On July 1, 2025, CDA refunded, \$25,000 of 2024 Series G-1 and G-5 bonds.

On August 1, 2025, CDA redeemed, prior to maturity, \$20,000 of 2024 Series G-2 and G-6 Bonds.

On August 27, 2025, CDA issued \$250,000 of Residential Revenue Bonds (Social Bonds) - 2025 Series E tax-exempt and 2025 Series F taxable bonds. The interest rates for 2025 Series E range from 2.85% to 6.25% with maturities from September 1, 2026 to September 1, 2056. The interest rates for 2025 Series F range from 4.159% to 6.25% with maturities from September 1, 2026 to March 1, 2056.

On August 29, 2025, CDA redeemed, prior to maturity, \$76,355 of Residential Revenue Bonds and realized gains of \$4,215.

On September 1, 2025, CDA redeemed, prior to maturity, \$35,205 of 2024 Series G-2, G-3, G-6 and G-7 Bonds.

On November 20, 2025, CDA issued \$200,000 of Residential Revenue Bonds (Social Bonds) - 2025 Series G tax-exempt and 2025 Series H taxable bonds. The interest rates for 2025 Series G range from 2.80% to 6.25% with maturities from March 1, 2027 to September 1, 2056. The interest rates for 2025 Series H range from 3.755% to 6.00% with maturities from September 1, 2026 to March 1, 2056.

On December 1, 2025, CDA refunded, \$24,795 of 2024 Series G-3 and G-7 bonds.

(continued)

Community Development Administration
Residential Revenue Bonds

Notes to Unaudited Interim Financial Statements - continued
(in thousands)

December 31, 2025

4. Bonds Payable (continued):

On December 17, 2025, CDA issued \$358,401 of Residential Revenue Bonds - 2025 Series I tax-exempt bonds. The interest rates range from 3.37% to 3.45% with a maturity of March 1, 2056. The 2025 Series I Bonds are subject to mandatory tender on January 1, 2027. CDA expects to refund each sub-series of 2025 Series I Bonds on or before its respective mandatory tender date.

5. Subsequent Events:

On January 1, 2026, CDA redeemed, prior to maturity, \$35,205 of 2024 Series G-4 and G-8 Bonds.

On February 1, 2025, CDA refunded, \$235,422 of 2024 Series G-4 and G-8 bonds.

On February 26, 2026, CDA issued \$57,720 of Residential Revenue Bonds - 2026 Series A tax-exempt bonds. The interest rate is 3.39% with a maturity of September 1, 2056. The 2026 Series A Bonds are subject to mandatory tender on June 1, 2026. CDA expects to refund the 2026 Series A Bonds on or before its mandatory tender date.

On February 27, 2026, CDA redeemed, prior to maturity, \$85,430 of Residential Revenue Bonds.

APPENDIX I
MARYLAND HOUSING FUND
FINANCIAL STATEMENTS

MARYLAND HOUSING FUND
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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**MARYLAND HOUSING FUND
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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development
Lanham, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maryland Housing Fund (MHF) of the Department of Housing and Community Development of the State of Maryland, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MHF, as of June 30, 2025 and 2024, and the changes in financial position, and, its, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Maryland 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.

Emphasis of Matter

Financial Statement Presentation

As discussed in Note 2, the financial statements present only the financial position, changes in financial position, and cash flows of MHF and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the financial statements is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, there was a change in accounting principle for MHF that resulted in a restatement to beginning net position for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

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.

Auditors' 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 auditors' 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 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, 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 MHF'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.

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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to 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. Our opinion on the financial statements is not affected by this missing information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2025

**MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Unrestricted Current Assets:		
Deposit with State Treasurer:		
Operating Account	\$ 3,601,774	\$ 7,204,449
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	-	-
Due from Other Funds	1,150	123,793
Other	1,862,528	87,036
Total Unrestricted Current Assets	<u>5,465,452</u>	<u>7,415,278</u>
Restricted Current Assets:		
Deposit with State Treasurer:		
Reserve Accounts	<u>97,168,267</u>	<u>91,641,694</u>
Total Restricted Current Assets	<u>97,168,267</u>	<u>91,641,694</u>
Total Current Assets	102,633,719	99,056,972
NONCURRENT ASSETS		
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses and Current Portion	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 102,633,719</u>	<u>\$ 99,056,972</u>

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

	2025	2024
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 165,997	\$ 431,244
Accrued Compensated Absences	70,566	37,984
Accrued Workers' Compensation	3,000	450
Investment Held for Borrower	-	437,949
Unearned Premiums	565,070	517,548
Unearned Fees	12,426	12,585
Allowance for Unpaid Insurance Losses	54,110	150,159
Total Current Liabilities	871,169	1,587,919
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	52,998	124,450
Accrued Workers' Compensation, Net of Current Portion	17,000	2,550
Allowance for Unpaid Insurance Losses, Net of Current Portion	15,096,797	10,474,502
Total Noncurrent Liabilities	15,166,795	10,601,502
Total Liabilities	16,037,964	12,189,421
NET POSITION		
Restricted Net Position:		
Multi-Family Reserve	66,698,739	60,698,739
Single Family Regular Reserve	13,685,775	13,692,636
Revitalization (Pilot) Reserve	2,185,258	2,185,258
Small Business Reserve	5,000,000	9,000,000
General Reserve	2,593,422	2,593,422
Unallocated Reserve	6,998,213	3,270,609
Total Restricted Net Position	97,161,407	91,440,664
Unrestricted Accumulated Deficit	(10,565,652)	(4,573,113)
Total Net Position	86,595,755	86,867,551
Total Liabilities and Net Position	\$ 102,633,719	\$ 99,056,972

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Net Premiums	\$ 905,597	\$ 864,980
Interest Income on Reserves	3,727,604	3,962,502
Interest Income on Loans	522,051	526,413
Other Income	1,644,939	1,133,071
Total Operating Revenues	6,800,191	6,486,966
OPERATING EXPENSES		
General and Administrative	2,026,103	1,883,356
Direct Losses on Claims	6,861	200,538
Provision (Benefit) for Insurance and Loan Losses	5,039,023	(1,183,234)
Total Operating Expenses	7,071,987	900,660
CHANGE IN NET POSITION	(271,796)	5,586,306
Net Position - Beginning of Year, As Restated / As Previously Reported	86,921,758	81,335,452
Prior Period Adjustment - Change in Accounting Principle	(54,207)	-
Net Position - Beginning of Year, As Restated	86,867,551	81,335,452
Prior Period Adjustment - Change in Accounting Principle	-	(54,207)
NET POSITION - END OF YEAR, AS RESTATED	\$ 86,595,755	\$ 86,867,551

See accompanying Notes to Financial Statements.

**MARYLAND HOUSING FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Premiums, Net	\$ 867,804	\$ 767,155
Receipts from Principal and Interest on Loans	8,767	2,485,428
Cash Advances to Receivership	(1,567,534)	-
Payments from Mortgage Escrows	(437,949)	(2,292,196)
Receipts for Mortgage Escrows	-	2,490,957
Receipts from Miscellaneous Fees	1,644,780	1,132,919
Payments for General and Administrative Expenses	(2,312,713)	(1,479,486)
Payments for Claims	(6,861)	(200,538)
Receipts from Interest Earned on Reserves	3,727,604	3,962,502
Net Cash Provided by Operating Activities	1,923,898	6,866,741
 NET INCREASE IN CASH	 1,923,898	 6,866,741
Deposit with State Treasurer, Balance - Beginning of Year	98,846,143	91,979,402
DEPOSIT WITH STATE TREASURER, BALANCE - END OF YEAR	\$ 100,770,041	\$ 98,846,143
 RECONCILIATION OF CHANGE IN OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss) Income	\$ (271,796)	\$ 5,586,306
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Loans and Interest Receivable	(513,283)	1,959,015
Investments and Other Assets	(437,950)	200,150
Due to (from) DHCD	122,642	(122,220)
Other Receivables	(1,775,491)	-
Accounts Payable and Other Accrued Liabilities	(287,118)	403,870
Allowance for Unpaid Insurance Losses	5,039,531	(1,183,234)
Unearned Premiums	47,522	23,006
Unearned Fees	(159)	(152)
Net Cash Provided by Operating Activities	\$ 1,923,898	\$ 6,866,741

See accompanying Notes to Financial Statements.

MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PROGRAM DESCRIPTION

The Maryland Housing Fund (MHF) was established in 1971 by Section 3-201 through 3-208 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, to encourage the flow of private investment capital into multiple-unit and Single Family housing by insuring qualified lending institutions against losses on mortgage loans. MHF is authorized to insure mortgage loans, including mortgage loans for Multi-Family developments financed by public agencies such as the Community Development Administration (CDA), a governmental unit within the Division of Development Finance of the Department of Housing and Community Development (DHCD) and to provide primary insurance for Single Family mortgage loans. Legislation enacted in 2016 expanded MHF's authority to insure business loans originated by qualified lending institutions. MHF insures against certain monetary losses incurred as a result of nonpayment of principal, interest or other sums agreed to be paid and certain other events of default under the terms of any insured mortgage loan, but does not insure against property losses, including without limitation, title risk, risks of defective construction or casualty, or any other reduction in project value due to insurable risk or force majeure, casualty or title loss. Legislation enacted in 1981 enables MHF to originate mortgage loans to assist in the disposal of property acquired through foreclosure or pursuant to any other payment in settlement of a claim or loss. MHF is a governmental unit within DHCD's Division of Credit Assurance.

MHF maintains six restricted insurance reserves, which are separate from MHF's operating funds. Five of the reserves cover specific categories of insurance; the Multi-Family Reserve, the Single Family Regular Program Reserve, the Revitalization Reserve (formerly known as the PILOT program insurance reserve), the Business Reserve, and the General Reserve. The investment earnings on each of the five specific reserves are credited to a sixth reserve, the Unallocated Reserve. The Unallocated Reserve may be allocated and transferred by the Secretary into each of the reserves, restricted by the Secretary as a reserve to pay claims on all categories of claims, applied by MHF as payment of a claim, or retained in the Unallocated Reserve pending allocation, transfer, or restriction. Investment earnings on each of the six reserves are credited to the Unallocated Reserve. In 2008, legislation was passed pursuant to Senate Bill 983 requiring MHF to transfer from the Unallocated Reserve to DHCD's Homeownership Programs Fund, Rental Housing Programs Fund, and Special Loan Programs Fund all amounts in excess of \$10,000,000 at the end of each fiscal year. These transfers can be found in Note 8 of this document.

The MHF statute provides that any moneys of MHF that DHCD creates as an identifiable insurance reserve may be used only in conformance with the terms and conditions creating that reserve. MHF regulations provide that each reserve is maintained to pay claims arising from its respective category of insurance and may not be subject to claims arising from other categories of insurance except for the Unallocated Reserve.

MHF's reserve funds are derived from the net proceeds of five issues of the State of Maryland (State) general obligation bonds aggregating \$39,300,000 and \$7,500,000 in proceeds derived from State appropriations. In addition, the funds have earned investment income and paid claims. The unrestricted accumulated deficit reflects MHF's operations since inception less interest income. The reserves are held by the Office of the Treasurer of the State, which credits MHF with income on investment of reserves for the benefit of MHF.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PROGRAM DESCRIPTION (CONTINUED)

The Multi-Family Reserve supports several programs. All existing Multi-Family insurance insures projects financed by CDA's revenue bonds. These programs include:

- Risk-Share Program insures both construction and permanent mortgages financed with CDA bond proceeds with credit enhancement under the Federal Housing Administration (FHA) Risk Sharing Program. As a Level I participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, CDA is responsible for reimbursing FHA up to 50% of such claim. As a Level II participant under the FHA Risk-Sharing Program, upon payment of a claim by FHA, CDA is responsible for reimbursing FHA up to 25% of such claim. MHF then reimburses CDA for its share of such losses. This is an active multi-family program.
- Special Housing Opportunity Program (SHOP) insures mortgages financed or refinanced for the acquisition, construction or rehabilitation of shared living and related facilities for the special needs population which are owned by and sponsored by nonprofit organizations. This is an active multi-family program.
- MHF Demonstration Program – Effective December 9, 2014, MHF and CDA created a demonstration program (the “MHF Demonstration Program”) whereby MHF insures short term loans (“Short Term Loans”) financed with proceeds from the sale of short term bonds (“Short Term Bonds”) issued under CDA's multi-family Housing Revenue Bond Resolution (“HRB”). The MHF Demonstration Program is an additional cost-effective option extended to borrowers for the provision of credit enhancement for Short Term Loans financed under HRB. Eligibility for the MHF Demonstration Program is limited to projects that: (i) need to use more than 25% of its projected tax credit equity to cash collateralize a letter of credit (“LOC”) that otherwise would be delivered to secure Short Term Bonds during construction, and (ii) where the amount of the Short Term Loan (which equals the amount of the cash collateral account that would be required by a LOC provider) is greater than 25% of the projected tax credit equity. No borrower, including all related entities, may have Short Term Loans insured under the MHF Demonstration Program at any one time in excess of \$5 million. In addition, 25% of the projected amount of tax credit equity to be generated by a project must be contributed to the project at the closing of the Short Term Loan. MHF's obligations under the MHF Demonstration Program are backed only by MHF's Unallocated Reserve. The aggregate amount of outstanding indebtedness to be insured under the MHF Demonstration Program may not exceed \$10 million from MHF's Unallocated Reserve at any given time. There are no loans currently insured under this program.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PROGRAM DESCRIPTION (CONTINUED)

The Single-Family Regular Reserve insures mortgages funded by private Maryland lending institutions and CDA. These programs include:

- Single-Family Regular Insurance Program consists of mortgages originated prior to 1997. These mortgages may have had primary insurance (MHF is liable for the top 25% of the original mortgage) and/or pool insurance (MHF is liable for the bottom 75% of the original mortgage). Pool insurance coverage was limited to 10% of lendable proceeds for the aggregate of revenue bond issues (stop-loss). Effective August 1, 2010, MHF was released from any obligation to provide the pool insurance on these loans. MHF continues to provide primary insurance on these loans.
- Mortgage Protection Program consists of 30 and 40 year mortgages originated after 2005, funded with CDA bond proceeds with insurance coverage only for the top 35% of the original mortgage and up to six months of mortgage payments (limited to no more than \$2,000 per month). These mortgages maintain a fixed rate of interest for the full loan term and allow borrowers to finance a one-time mortgage insurance premium as part of the mortgage, thereby requiring no additional outlay of cash by the borrower at the closing, resulting in a lower monthly mortgage payment. MHF no longer issues new insurance under this program.

The Revitalization (Pilot) Reserve insures mortgages funded through CDA and private Maryland lenders for up to 100% of the mortgage balance.

- The Healthy Neighborhood Program provides credit enhancement to a loan program sponsored by a nonprofit corporation, which is intended to stabilize and strengthen property values in targeted areas in the City of Baltimore. MHF insures less than 3% of the outstanding loan balance under this program.

Small Business Insurance Reserve

- Business Loan Program provides insurance coverage and credit enhancement on loans originated by CDA or other eligible lenders to stimulate the flow of private capital to fund business projects located in publicly designated renewal or redevelopment areas. There are currently no loans insured under this program.

General Reserve

- The General Insurance Reserve provides 35% insurance on certain CDA single-family mortgages as an incentive to refinance or restructure loans for Maryland borrowers with an existing CDA loan. MHF continues to maintain active mortgages but no longer issues new commitments under this program.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Relationship with the State

MHF is one of many programs administered by DHCD and the State. Other State agencies, such as the Department of Budget and Management, support DHCD by providing services for DHCD and thus allocate a portion of their expenses to DHCD. MHF has no direct employees and is entirely supported by staff at DHCD to perform all necessary functions of MHF. Thus, MHF's accompanying financial statements are not indicative of MHF as if it were a stand-alone entity. MHF is included in the enterprise funds of the State.

Generally Accepted Accounting Principles

MHF reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB). Consequently, MHF applies all applicable GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, and losses during the reporting periods. Actual results could differ from these estimates.

Cash and Cash Equivalents on Deposit

Cash and cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily obligations of the U.S. Treasury and U.S. Government Agencies, which have maturities of 90 or less days at the time of purchase.

Loans and Interest Receivable, Net of Allowance for Loans and Related Losses

Loans and interest receivable, net of allowance for loans and related losses, consist of loans made directly by MHF and loans originally made by others and subsequently assigned to MHF under the provisions of the insurance agreements plus interest receivable, net of possible losses. Based on Management's assessment, MHF has reviewed these loans and determined that collection is unlikely given the financial situation of the borrowers. A full allowance has been recorded.

Allowance for Unpaid Insurance Losses

MHF provides for estimated insurance losses under each insurance plan. The allowance for unpaid insurance losses is increased by provisions charged to current operating expenses and reduced by claim payments. The provision for possible insurance losses is based on management's review of insured properties, considering past loss experience, current economic conditions, and other environmental factors which may affect the frequency of claims and the recovery of claim costs. Actual results could differ from those estimates.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Regular employees of the State of Maryland earn different types of leave that are considered compensated absences. Employees may use or accumulate leave, subject to certain limitations, such as annual leave, sick leave, personal leave and compensatory time. Different usage rules apply to each class of leave, and upon separation from State service, unused leave is forfeited or paid out to the employee according to established criteria; upon retirement, unused sick leave converts to creditable service time and becomes a liability of the State. In June 2022, GASB issued updated guidance, GASB 101, Compensated Absences, which details the requirements for recognizing and measuring the financial liability of various leave types. The State of Maryland adopted this guidance for the fiscal year ending June 30, 2025. The new standard now applies a measurement for leave that is more likely than not going to be used or paid out and requires retroactive application by restating the beginning net positions for the current period.

Restricted Net Position

In accordance with accounting guidance issued by the GASB, net position should be reported as restricted when constraints placed on net position use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, all funds and accounts whose purpose is to pay possible future claims are restricted as to their use, as is interest earned on these restricted assets. MHF first applies restricted resources when an expense is incurred for purposes for which those restricted and unrestricted net position is available.

Revenues and Expenses

Operating revenues and expenses generally result from mortgage insurance activities in connection with MHF's ongoing operations. The principal operating revenue is mortgage insurance premiums. Operating expenses include expenses relating to claims from defaulted loans and general and administrative expenses. The interest earned on reserve accounts is restricted revenue.

Premium Income Recognition

Premium income on all loans is recognized on a straight-line basis over the benefit period covered by the premiums.

General and Administrative

MHF is subject to an allocation of intradepartmental support costs of the DHCD, which are included in general and administrative in the Statements of Revenues and Expenses. Such costs could affect MHF's financial position or operating results in a manner that differs from those that might have been obtained if MHF was autonomous. MHF records these costs as invoiced by DHCD for the fiscal year. However, the allocation is subject to review and adjustment subsequent to year-end.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

During the year, MHF Implemented GASB Statement No, 101, *Compensated Absences*. The statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. Refer to Note 12 for the impact of the implementation.

NOTE 3 CASH AND INVESTMENTS

Deposit with State Treasurer

MHF defines cash and cash equivalents as cash and short-term investments that are held on deposit with the State Treasurer. Cash receipts and disbursements of MHF are made through a cash pool maintained by the State Treasurer. None is uninsured and uncollateralized. MHF has on deposit with the State Treasurer both unrestricted and restricted cash and cash equivalents. MHF reports its operating account as unrestricted. MHF reserve accounts are reported as restricted.

Additional information can be obtained from the State of Maryland Annual Comprehensive Financial Report by visiting the website <https://www.marylandtaxes.gov/reports/cafr.php>.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MHF adheres to Maryland State Treasurer's policy for managing its exposure to fair value loss arising from increasing interest rates. The Maryland State Treasurer's investment policy states that to the extent possible, it will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer's Office will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. MHF's policy for reducing its exposure to credit risk is to comply with Maryland State Treasurer's policy, which requires that the Treasurer's investments in repurchase agreements be collateralized by U.S. Treasury and agency obligations. In addition, investments may be made directly in U.S. Treasuries or agency obligations.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. MHF's policy for reducing this risk of loss is to comply with the Maryland State Treasurer's policy, which limits the amount of repurchase agreements to be invested with a particular institution to 30% of the portfolio. Otherwise, there is no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, MHF will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. Investments and collateralized securities are held in trust by the trustee or the trustee agent, kept separate from the assets of the bank and from other trust accounts and are held in MHF's name.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

MHF categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Funds have the following recurring fair value measurements as of June 30, 2025:

- Pooled cash maintained by the State Treasurer of \$100,770,041 (Level 1).

The Funds have the following recurring fair value measurements as of June 30, 2024:

- Pooled cash maintained by the State Treasurer of \$98,846,143 (Level 1).

NOTE 4 LOANS AND INTEREST RECEIVABLE, NET OF ALLOWANCE FOR LOANS AND RELATED LOSSES

Loans and interest receivable, net of allowance for loans and related losses, consist of loans made directly by MHF and loans originally made by others and subsequently assigned to MHF under the provisions of the insurance agreements plus interest receivable, net of possible losses. Based on Management's assessment, MHF has reviewed these loans and determined that collection is unlikely given the financial situation of the borrowers. A full allowance has been recorded. Mortgage loans, notes receivable, and interest receivable were as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Multi-Family	\$ 7,338,881	\$ 7,346,226
Single-Family	178,490	178,490
Other	6,660	7,721
Interest Receivable on Loans	12,230,011	11,708,320
Total	19,754,042	19,240,757
Allowance for Possible Losses on Multi-Family Loans	(7,338,881)	(7,346,225)
Allowance for Possible Losses on Single-Family Loans	(178,490)	(178,490)
Allowance for Possible Losses on Other	(6,660)	(7,721)
Allowance for Possible Losses on Interest Receivable	(12,230,011)	(11,708,321)
Total Allowance for Possible Losses	(19,754,042)	(19,240,757)
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	\$ -	\$ -

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 LOANS AND INTEREST RECEIVABLE, NET OF ALLOWANCE FOR LOANS AND RELATED LOSSES (CONTINUED)

Changes in the allowance for possible losses on loans and interest receivable were as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Balance - Beginning of Year	\$ 19,240,757	\$ 21,199,772
Increase (Decrease) in Provision	513,285	(1,959,015)
Balance - End of Year	<u>\$ 19,754,042</u>	<u>\$ 19,240,757</u>

NOTE 5 UNEARNED PREMIUMS

The unearned premiums for the unexpired terms of all policies in force or written as of June 30, 2025 and 2024, and the changes for the years then ended were as follows:

	<u>2025</u>			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	\$ 491,454	\$ 900,982	\$ 844,252	\$ 548,184
SHOP Loans	8,059	11,915	12,655	7,319
Total Multi-Family Programs	<u>499,513</u>	<u>912,897</u>	<u>856,907</u>	<u>555,503</u>
Single Family Programs:				
Single Family Regular:				
Primary	18,035	15,761	24,229	9,567
Total - Year Ended June 30, 2025	<u>\$ 517,548</u>	<u>\$ 928,658</u>	<u>\$ 881,136</u>	<u>\$ 565,070</u>

	<u>2024</u>			
	Unearned Premiums at Beginning of Year	Premiums Written	Premiums Earned	Unearned Premiums at End of Year
Multi-Family Programs:				
Construction and Permanent Mortgages	\$ 455,970	\$ 816,811	\$ 781,327	\$ 491,454
SHOP Loans	9,907	13,710	15,558	8,059
Total Multi-Family Programs	<u>465,877</u>	<u>830,521</u>	<u>796,885</u>	<u>499,513</u>
Single-Family Programs:				
Single-Family Regular:				
Primary	28,665	32,702	43,332	18,035
Total - Year Ended June 30, 2024	<u>\$ 494,542</u>	<u>\$ 863,223</u>	<u>\$ 840,217</u>	<u>\$ 517,548</u>

MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 NONCURRENT OBLIGATIONS

Changes in noncurrent obligations for the years ended June 30, 2025 and 2024 were as follows:

	2025				Amount Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Compensated Absences*	\$ 162,434	\$ -	\$ (38,870)	\$ 123,564	\$ 70,566
Workers' Compensation	3,000	17,000	-	20,000	3,000
Investment Held for Borrower	437,949	-	(437,949)	-	-
Allowance for Unpaid Insurance Losses	10,624,661	4,526,246	-	15,150,907	54,110
Total - Year Ended June 30, 2025	<u>\$ 11,228,044</u>	<u>\$ 4,543,246</u>	<u>\$ (476,819)</u>	<u>\$ 15,294,471</u>	<u>\$ 127,676</u>

	2024				Amount Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Compensated Absences, as Restated*	\$ 86,551	\$ 75,883	\$ -	\$ 162,434	\$ 49,551
Workers' Compensation	2,000	1,000	-	3,000	450
Investment Held for Borrower	2,730,145	391,335	(2,683,531)	437,949	437,949
Allowance for Unpaid Insurance Losses	9,848,880	775,781	-	10,624,661	150,159
Total - Year Ended June 30, 2024	<u>\$ 12,667,576</u>	<u>\$ 1,243,999</u>	<u>\$ (2,683,531)</u>	<u>\$ 11,228,044</u>	<u>\$ 638,109</u>

*The change in the compensated absences liability is presented as a net change.

NOTE 7 ALLOWANCE FOR UNPAID INSURANCE LOSSES

The allowance for unpaid insurance losses is the estimated claims settlement on notices of default that has been received by MHF, as well as loan defaults that have been incurred but have not been reported by the lenders. Although current accounting guidance specifically excludes mortgage guaranty insurance from its guidance relating to the reserves for losses, MHF establishes loss reserves using the general principles contained in the insurance standard.

For insured Multi-Family program properties, MHF establishes loss reserves on a case-by-case basis when insured loans are identified as currently in default based on MHF's expected claim payment, net of estimated recovery. At June 30, 2025, MHF had no Multi-Family loans in default. As a result, MHF provides only limited loss reserves on the Multi-Family portfolio.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 ALLOWANCE FOR UNPAID INSURANCE LOSSES (CONTINUED)

For insured Single Family loans, MHF establishes its loss reserves based on past loss experiences and the current real estate market. MHF also reserves for defaults that have been incurred but have not been reported prior to the close of an accounting period, using estimated claim rates and claim sizes for the estimated number of defaults not reported. For Single Family program properties, insured loans which have gone through foreclosure and MHF has not paid a claim, MHF also reserves for losses based on past loss experiences and the current real estate market.

MHF's reserve process is based upon the assumptions of past experience, including the current real estate market and housing values in the locations where MHF has experienced high claim rates. Therefore, the reserves are necessarily based on estimates and the ultimate liability may vary from such estimates. Management regularly reviews the evaluation of the loss reserves utilizing current information and updates the assumptions in the estimation process accordingly. Any resulting adjustments are reflected in the current period's earnings as either a provision for losses or reduction in losses. Management believes that the allowance for unpaid insurance losses at June 30, 2025 was appropriately established on an aggregate basis and was adequate to cover the ultimate net cost of settling reported and unreported claims.

Changes in allowance for unpaid insurance losses were as follows:

	<u>Multi-Family</u>	<u>Single-Family</u>	<u>Total</u>
Balance - June 30, 2023	\$ 9,186,028	\$ 662,852	\$ 9,848,880
Increase (Decrease) in Provision	<u>983,964</u>	<u>(208,183)</u>	<u>775,781</u>
Balance - June 30, 2024	10,169,992	454,669	10,624,661
Increase (Decrease) in Provision	<u>4,674,434</u>	<u>(148,188)</u>	<u>4,526,246</u>
Balance - June 30, 2025	<u>\$ 14,844,426</u>	<u>\$ 306,481</u>	<u>\$ 15,150,907</u>

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 CHANGES IN NET POSITION

Changes in restricted and unrestricted net position were as follows:

	Restricted Net Position						Unrestricted Accumulated Deficit	Total
	Multi-Family Reserve	Single Family Regular Reserve	Revitalization (Pilot) Reserve	Business Reserve	General Reserve	Unallocated Reserve		
Balance - June 30, 2023	\$ 53,698,739	\$ 13,893,666	\$ 2,185,258	\$ 9,000,000	\$ 2,593,422	\$ 6,308,107	\$ (6,343,740)	\$ 81,335,452
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	-	3,962,502	(3,962,502)	-
Inter-reserve Transfers	7,000,000	-	-	-	-	(7,000,000)	-	-
Change in Net Position	-	(201,030)	-	-	-	-	5,733,129	5,532,099
Balance - June 30, 2024, as Restated	60,698,739	13,692,636	2,185,258	9,000,000	2,593,422	3,270,609	(4,573,113)	86,867,551
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	-	3,727,604	(3,727,604)	-
Inter-reserve Transfers	4,000,000	-	-	(4,000,000)	-	-	-	-
Transfers In (Out)	2,000,000	-	-	-	-	(2,000,000)	(2,000,000)	-
Change in Net Position	-	(6,861)	-	-	-	-	(264,935)	(271,796)
Balance - June 30, 2025	\$ 66,698,739	\$ 13,685,775	\$ 2,185,258	\$ 5,000,000	\$ 2,593,422	\$ 6,998,213	\$ (10,565,652)	\$ 86,595,755

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 COMMITMENTS AND CONTINGENCIES

Multi-Family Mortgages

MHF insured mortgage loans as of June 30, 2025, net of partial claim payments, were as follows:

	Number	Current Balance
CDA Construction and Permanent Mortgages	112	\$ 662,393,519
CDA SHOP Loans	88	8,268,714
Total	200	\$ 670,662,233

As of June 30, 2025, MHF had commitments of \$15,370,455 which had not yet been drawn.

Single-Family Mortgages

All loans insured by MHF are with approved lenders and are collateralized by a first or second lien against the improved property, which must be located in the state of Maryland. The details of insured loans and commitments to insure loans as of June 30, 2025, were as follows:

	Insured Mortgages			
	Number	Original Amount	Current Amount	
Primary Insurance Coverage				
Single Family Regular				
25% Insured	118	\$ 6,585,714	\$ 1,253,172	\$ 313,293
35% Insured	46	9,105,327	6,826,903	2,389,416
Revitalization (Pilot) Program				
2.5% Insured	146	21,092,943	18,479,959	369,599
General				
35% Insured	7	1,758,337	1,340,399	469,140
Total	317	\$ 38,542,321	\$ 27,900,433	\$ 3,541,448

As of June 30, 2025, MHF had no unfunded commitments under the Revitalization Reserve or Healthy Neighborhood Program.

Effective August 1, 2010, MHF was released from any obligation to provide pool insurance for loans originated prior to 2005.

**MARYLAND HOUSING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of the state of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. MHF's only obligation for retirement and post-employment benefits is its required annual contribution, which was paid in full by MHF to the state of Maryland prior to year-end. The liability for the employees is recorded by the general fund of the state of Maryland and is not allocated to MHF. The System prepares a separate audited Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.maryland.gov.

NOTE 11 RELATED PARTY TRANSACTIONS

MHF engages in certain transactions with related parties, specifically other units within DHCD. Premium and fee income generated from insured loans with CDA represent approximately 99% of the total premium and fee income reported during each of the fiscal years ending June 30, 2025 and 2024. Additionally, MHF pays certain post-foreclosure expenses for both CDA and DHCD's State Funded Loan Program to achieve a cost savings to the Agency as a whole. As these expenses are not expenses related to the operations of MHF, they are recorded on the balance sheet as Due From Other Funds, affecting only cash and receivables. These expenses are subsequently reimbursed to MHF by the responsible unit, and the outstanding receivable is cleared.

NOTE 12 PRIOR PERIOD ADJUSTMENT FOR CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2023, MHF implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$54,207. The effect of the implementation of this standard is shown in the table below.

	Compensated Absences	Net Position
June 30, 2024, As Previously Reported	\$ 108,227	\$ 86,921,758
Change in Accounting Principle	54,207	(54,207)
July 1, 2024, As Restated	<u>\$ 162,434</u>	<u>\$ 86,867,551</u>



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MARYLAND HOUSING FUND
INTERIM FINANCIAL STATEMENTS
December 31, 2025
(UNAUDITED)

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION
As at December 31, 2025 and June 30, 2025
(UNAUDITED)

	12/31/2025	06/30/25
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Deposit with State Treasurer:		
Operating Account	\$ 3,056,297	\$ 3,601,774
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses	-	-
Due to/From Other Funds	7,275	1,150
Other	2,278,763	1,862,528
Total Unrestricted Current Assets	5,342,335	5,465,452
Restricted Current Assets:		
Deposit with State Treasurer:		
Reserve Accounts	98,688,289	97,168,267
Total Restricted Current Assets	98,688,289	97,168,267
Total Current Assets	104,030,624	102,633,719
NONCURRENT ASSETS		
Investment Held for Borrower	-	-
Loans and Interest Receivable, Net of Allowance for Loans and Related Losses and Current Portion	-	-
Total Noncurrent Assets	-	-
Total Assets	\$104,030,624	\$102,633,719

MARYLAND HOUSING FUND
STATEMENTS OF NET POSITION - CONTINUED
As at December 31, 2025 and June 30, 2025
(UNAUDITED)

	12/31/2025	6/30/2025 Restated
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 58,533	\$ 165,997
Accrued Compensated Absences	70,566	70,566
Accrued Workers' Compensation	3,000	3,000
Investment Held for Borrower	-	-
Unearned Premiums	509,907	565,070
Unearned Fees	11,531	12,426
Allowance for Unpaid Insurance Losses	54,111	54,111
Total Current Liabilities	707,648	871,170
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	52,999	52,998
Accrued Workers' Compensation, Net of Current Portion	17,000	17,000
Investment Held for Borrower, Net of Current Portion	-	-
Allowance for Unpaid Insurance Losses, Net of Current Portion	15,096,797	15,096,796
Total Noncurrent Liabilities	15,166,796	15,166,794
Total Liabilities	15,874,444	16,037,964
NET POSITION		
Restricted Net Position:		
Multi-Family Reserve	66,698,739	66,698,739
Single Family Regular Reserve	13,685,775	13,685,775
Revitalization (Pilot) Reserve	2,185,258	2,185,258
Small Business Reserve	5,000,000	5,000,000
General Reserve	2,593,422	2,593,422
Unallocated Reserve	8,518,236	6,998,213
Total Restricted Net Position	98,681,430	97,161,407
Unrestricted Accumulated Deficit	(10,525,250)	(10,565,652)
Total Net Position	88,156,180	86,595,755
Total Liabilities and Net Position	\$ 104,030,624	\$ 102,633,719

MARYLAND HOUSING FUND
STATEMENTS OF REVENUES AND EXPENSES
As of December 31, 2025 and June 30, 2025
(UNAUDITED)

	12/31/2025	6/30/2025 Restated
OPERATING REVENUES		
Net Premiums	\$ 452,196	\$ 905,597
Interest Income on Reserves	1,520,023	3,727,604
Interest Income on Loans	263,124	522,051
Other Income	124,735	1,644,938
Total Operating Revenues	2,360,078	6,800,190
OPERATING EXPENSES		
General and Administrative	540,795	2,026,102
Direct Losses on Claims	-	6,861
Provision (Benefit) for Insurance and Loan Losses	258,858.34	5,039,023
Total Operating Expenses	799,653	7,071,986
Operating Income (Loss) before Transfers	1,560,425	(271,796)
Transfer of Funds	-	
CHANGE IN NET POSITION	1,560,425	(271,796)
Net Position - Beginning of Year	86,595,755	86,867,551
NET POSITION	\$ 88,156,180	\$ 86,595,755

MARYLAND HOUSING FUND
STATEMENTS OF CASH FLOWS
As of December 31, 2025 and June 30, 2025
(UNAUDITED)

	12/31/2025	6/30/2025 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Premiums, Net	\$ 672,336	\$ 867,804
Receipts from Principal and Interest on Loans	4,265	8,767
Payments on behalf of CDA	(6,121)	
Cash Advances to Receivership	(691,542)	(1,567,534)
Payments from Mortgage Escrows	-	(437,949)
Receipts for Mortgage Escrows	-	-
Receipts (Payments) from Security Deposits	-	-
Receipts from Miscellaneous Fees	123,840	1,644,780
Payments for General and Administrative Expenses	(648,259)	(2,312,713)
Sale Proceeds from Acquired Property	-	-
Payments for Claims	-	(6,861)
Receipts from Interest Earned on Reserves	1,520,023	3,727,604
Transfer to State Funded Programs	-	-
Net Cash Provided by Operating Activities	\$ 974,542	\$ 1,923,898
 NET INCREASE IN CASH	 \$ 974,542	 \$ 1,923,898
 Deposit with State Treasurer, Balance - Beginning of Year	 100,770,041	 98,846,143
 DEPOSIT WITH STATE TREASURER, BALANCE - END OF PERIOD	 \$101,744,583	 \$100,770,041
 RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Position	\$ 1,560,425	\$ (271,796)
Adjustments to Reconcile Change in Net Position to Net Cash		
Provided by Operating Activities:		
Transfer to State Funded Programs	-	-
Effect of Changes in Operating Assets and Liabilities:		
Loans and Interest Receivable	(258,859)	(513,283)
Investments and Other Assets	-	(437,950)
Due from DHCD	(6,121)	122,642
Other Receivables	(416,239)	(1,775,491)
Accounts Payable and Other Accrued Liabilities	(107,464)	(287,118)
Allowance for Unpaid Insurance Losses	258,858	5,039,531
Unearned Premiums	(55,163)	47,522
Unearned Fees	(895)	(159)
Net Cash Provided by Operating Activities	\$ 974,542	\$ 1,923,898

MARYLAND HOUSING FUND
STATEMENTS OF CHANGES IN NET POSITION
As of December 31, 2025 and June 30, 2025
(UNAUDITED)

	Restricted Net Position						Unrestricted Accumulated Deficit	Total
	Multi-Family Reserve	Single Family Regular Reserve	Revitalization (Pilot) Reserve	Business Reserve	General Reserve	Unallocated Reserve		
BALANCE AT JUNE 30, 2024	\$ 60,698,739	\$ 13,692,636	\$ 2,185,258	\$ 9,000,000	\$ 2,593,422	\$ 3,270,609	\$ (4,573,113)	\$ 86,867,551
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	-	3,727,604	(3,727,604)	-
Inter-reserve Transfers	4,000,000			(4,000,000)			-	-
Transfers Out	2,000,000	-	-		-	-	(2,000,000)	-
Change in Net Position	-	(6,861)	-	-	-	-	(264,935)	(271,796)
BALANCE AT JUNE 30, 2025	66,698,739	13,685,775	2,185,258	5,000,000	2,593,422	6,998,213	(10,565,652)	86,595,755
Interest Income Allocated at the Discretion of DHCD Secretary	-	-	-	-	-	1,520,023	(1,520,023)	-
Inter-reserve Transfers								-
Transfers Out / transfer in		-	-		-	-		-
Change in Net Position	-	-	-	-	-	-	1,560,425	1,560,425
BALANCE AT DECEMBER 31, 2025	\$ 66,698,739	\$ 13,685,775	\$ 2,185,258	\$ 5,000,000	\$ 2,593,422	\$ 8,518,236	\$ (10,525,250)	\$ 88,156,180

APPENDIX J

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of December 31, 2025

<u>Principal Balance</u>		<u>Guaranteed Investment Contract Provider and Other Investments</u>	<u>Rate of Earnings</u>	<u>Maturity</u>	<u>Program Fund Series</u>
		<u>Program Fund</u>			
\$4,500,000		Money Market Funds	Varies	On demand	2011 Series B
\$325,000		Money Market Funds	Varies	On demand	2014 Series CD
\$30,000		Money Market Funds	Varies	On demand	2015 Series A
\$200,611		Money Market Funds	Varies	On demand	2016 Series A
\$773,816		Money Market Funds	Varies	On demand	2017 Series A
\$5,100,000		Money Market Funds	Varies	On demand	2019 Series B
\$5,050,000		Money Market Funds	Varies	On demand	2019 Series C
\$2,308		Money Market Funds	Varies	On demand	2022 Series D
\$835,956		Money Market Funds	Varies	On demand	2023 Series C
\$17,958,861		Money Market Funds	Varies	On demand	2024 Series A
\$5,295,130		Money Market Funds	Varies	On demand	2024 Series C
\$8,200,000		Money Market Funds	Varies	On demand	2024 Series E
\$58,000		Money Market Funds	Varies	On demand	2024 Series G
\$287,429,774	(1)	US Treasury SLGS	4.23%	1/1/2026	2024 Series G
\$17,075,000		Money Market Funds	Varies	On demand	2025 Series A
\$4,750,000		Money Market Funds	Varies	On demand	2025 Series C
\$29,150,000		Money Market Funds	Varies	On demand	2025 Series E
\$7,483,052		Money Market Funds	Varies	On demand	2025 Series F
\$25,630,913		Money Market Funds	Varies	On demand	2025 Series G
\$141,858,210		Money Market Funds	Varies	On demand	2025 Series H
\$358,400,669	(1)	US Treasury SLGS	3.50% to 3.73%	3/1/2026 to 1/1/2027	2025 Series I
		<u>Revenue Fund</u>			
\$213,043,212		Money Market Funds	Varies	On demand	
\$1,867,808,319	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	0.50% to 7.50%	4/15/2041 to 12/20/2055	
\$885,383,704	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	1.55% to 7.405%	1/1/2043 to 11/1/2055	
\$479,753,890	(1)	Freddie Mac Home (FHLMC) mortgage-backed securities	2.05% to 7.675%	10/1/2048 to 12/1/2055	
		<u>Reserve Fund</u>			
\$6,019,455		Money Market Funds	Varies	On demand	
\$1,231,569	(1)	Westdeutsche Landesbank Gironzentrale, New York Branch (BOA)	5.22%	9/1/2029	
\$3,122,501	(1)	Federal Home Loan Mortgage Corp.	6.75%	9/15/2029	
\$1,176,471	(1)	Westdeutsche Landesbank Gironzentrale, New York Branch (BOA)	5.82%	9/1/2031	
\$2,303,769	(1)	Federal Home Loan Mortgage Corp.	6.25%	7/15/2032	
		<u>Collateral Reserve Fund (2)</u>			

INVESTMENTS HELD IN THE RESIDENTIAL REVENUE BOND FUNDS
As of December 31, 2025

<u>Principal Balance</u>		<u>Guaranteed Investment Contract Provider and Other Investments</u>	<u>Rate of Earnings</u>	<u>Maturity</u>
\$135,472,650		Money Market Funds	Varies	On demand
\$8,124,807		TD Bank, N.A. Demand Deposit Acct.	Varies	On demand
\$13,269,472	(1)	Government National Mortgage Association (GNMA) mortgage-backed securities	0.50% to 4.00%	3/15/2041 to 12/20/2047
\$11,625,299	(1)	Federal National Mortgage Association (FNMA) mortgage-backed securities	2.80% to 6.30%	4/1/2046 to 6/1/2052
\$384,523	(1)	Freddie Mac Home (FHLMC) mortgage-backed securities	5.50% to 6.00%	2/1/2049 to 3/1/2049
\$25,465,000	(1)(4)	State Housing Finance Agency VRDO	Varies	5/1/2044 to 10/01/2048
\$10,343,837	(1)	U.S. Treasury Notes	1.25%	11/30/2026
		<u>Warehouse Loan Fund (3)</u>		
\$114,198,952		Money Market Funds	Varies	On demand
		<u>Redemption Fund</u>		
\$35,212,729		Money Market Funds	Varies	On demand
		<u>Other Funds</u>		
\$2,346,695		Money Market Funds	Varies	On demand

(1) In keeping with the provisions of GASB Statement No. 31, these investments and mortgage-backed securities are reported at fair value. The total book value at December 31, 2025 for the investments referenced was \$688,858,259 and the cumulative increase in fair value of these investments was \$615,332. The total book value at December 31, 2025 for GNMA, FNMA, and Freddie Mac mortgage-backed securities referenced was \$3,263,256,378 and the cumulative decrease in fair value of these GNMA, FNMA, and Freddie Mac mortgage-backed securities was \$5,031,170.

(2) The Collateral Reserve Fund was established under the Bond Resolution at the time the 1997 Residential Revenue Bonds Series A and Series B were issued.

(3) The Warehouse Loan Fund was established by transferring \$45,000,000 in excess revenues from the 1980 General Certificate (Single Family Program Bonds). It provides an interim funding source for loans purchased between issuances of Residential Revenue Bonds.

(4) The State HFA VRDOs are short-term (7-day) instruments that can be tendered at 7 days' notice at par.

APPENDIX K

**RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND INTEREST RATE
as of December 31, 2025 ^{(1) (2)}**

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
1997 Series A			12	120,613
	4.000%		4	37,269
	6.400%		7	49,623
	7.500%		1	33,721
1998 Series A			10	172,330
	5.000%		9	135,390
	6.100%		1	36,940
1998 Series B			51	1,052,244
	5.500%	(4), (4.2)	15	349,381
	6.100%		35	666,275
	6.250%		1	36,588
2000 Series F			9	257,995
	6.750%		7	213,197
	7.125%		2	44,798
2001 Series E			14	551,511
	5.500%		2	65,177
	5.750%		3	167,669
	5.875%		9	318,665
2002 Series A			10	731,344
	4.950%		5	251,899
	5.050%		2	107,185
	5.875%	(5), (5.10)	3	372,260
2006 Series G			133	13,504,248
	4.000%		1	125,973
	4.750%		3	441,798
	4.825%		1	48,758
	4.875%		26	2,276,013
	4.950%		15	1,399,276
	5.000%		1	113,777
	5.125%		2	373,217
	5.250%		13	1,430,729
	5.375%		4	530,971
	5.500%		39	3,724,865
	5.625%		4	350,080
	5.750%		14	1,465,251
	5.875%		3	475,285
	6.000%		6	577,653
	6.125%		1	170,602

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
2006 Series H			14	1,744,841
	6.000%	(5), (5.10)	14	1,744,841
2006 Series I			129	13,386,478
	4.750%		3	657,144
	4.825%		1	240,114
	4.875%		12	1,501,866
	4.950%		14	1,095,730
	5.000%		2	435,651
	5.075%		1	64,431
	5.250%		8	625,440
	5.375%		5	602,072
	5.500%		26	2,079,488
	5.625%		3	337,048
	5.750%		17	1,778,467
	5.875%		3	349,681
	6.000%		9	958,418
	6.000%	(5), (5.10)	2	214,141
	6.125%		3	477,649
	6.250%		16	1,471,714
	6.375%		2	230,961
	6.625%		2	266,463
2006 Series J			55	5,579,660
	4.825%		1	109,871
	4.875%		2	142,209
	4.950%		1	164,066
	5.375%		3	412,132
	5.500%		13	1,081,478
	5.625%		3	324,882
	5.750%		11	1,025,660
	5.875%		5	387,501
	6.000%		4	449,587
	6.125%		2	300,872
	6.250%		5	526,926
	6.500%		1	75,750
	7.125%		3	471,429
	7.375%		1	107,297
2010 Series A			53	2,405,949
	2.000%		1	11,166
	4.250%		1	9,553
	5.500%	(4), (4.1)	1	8,186
	5.500%	(4), (4.2)	2	38,114
	5.500%	(4), (4.4)	3	62,187
	4.000%	(4), (4.3)	3	39,212
	5.000%	(4), (4.5)	6	132,833
	5.875%	(4), (4.6)	1	18,282

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
	6.000%	(4), (4.7)	1	17,557
	4.000%	(4), (4.8)	10	235,380
	4.875%		5	476,063
	5.000%		4	296,053
	5.125%		10	1,014,520
	7.750%		1	1,483
	7.875%		2	39,980
	8.750%		1	5,379
	9.000%		1	1
2011 Series AB			237	23,972,891
	3.375%		1	112,931
	3.500%		3	364,932
	3.625%		8	756,819
	3.750%		6	503,186
	3.875%		70	6,533,007
	4.000%		23	2,298,607
	4.125%		6	479,275
	4.250%		64	6,817,207
	4.375%		8	813,402
	4.500%		9	1,115,775
	4.750%		24	2,831,710
	4.875%		5	415,562
	5.250%		10	930,478
2012 Series AB			259	7,402,334
	4.000%		80	2,160,617
	4.000%	(4), (4.3)	6	80,024
	4.750%		7	208,462
	4.750%	(5), (5.8)	14	433,522
	5.000%		4	134,368
	5.000%	(5), (5.4)	18	636,523
	5.000%	(5), (5.4)	5	159,131
	5.500%		17	576,290
	5.500%	(4), (4.4)	37	743,543
	5.500%	(5), (5.9)	3	291,177
	5.750%		5	167,729
	5.875%		11	409,972
	5.875%	(4), (4.6)	6	143,204
	6.000%		9	235,015
	6.125%		29	764,760
	6.500%		7	204,526
	6.900%		1	53,471

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
2014 Series AB			174	7,795,681
	4.000%		14	296,338
	4.750%		4	138,084
	4.875%		17	715,494
	4.950%		116	5,658,981
	5.000%		1	28,454
	5.050%		1	22,973
	5.125%		3	135,586
	5.250%		7	232,250
	5.500%		11	567,521
2014 Series CD			193	8,653,835
	3.000%		1	48,411
	3.250%		3	236,939
	3.375%		1	8,135
	3.500%		2	195,971
	3.750%		1	108,865
	4.000%		30	676,676
	4.125%		10	760,925
	4.250%		3	142,885
	4.375%		6	501,734
	4.500%		3	252,039
	4.625%		6	535,431
	4.750%		5	502,638
	4.875%		18	722,106
	4.950%		5	309,522
	5.000%		2	88,957
	5.125%		6	210,805
	5.250%		1	64,334
	5.500%		50	2,466,158
	5.500%	(4), (4.1)	3	50,024
	5.625%		3	167,366
	6.400%		32	538,114
	6.900%		1	29,548
	7.250%		1	36,252
2014 Series E			247	13,461,999
	4.000%		5	127,077
	4.750%		9	194,438
	4.875%		73	3,302,699
	4.950%		42	1,726,352
	5.000%		24	1,014,702
	5.125%		1	100,891
	5.250%		4	178,374
	5.500%		26	1,936,767
	5.500%	(5), (5.9)	25	2,107,174
	5.625%		33	2,067,556
	5.875%		4	566,728
	5.950%		1	139,241

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
2014 Series F			43	6,515,470
	4.875%		43	6,515,470
2015 Series B			131	14,446,348
	2.000%		1	43,633
	4.875%		91	11,019,370
	5.250%		7	736,922
	5.375%		2	200,349
	5.500%		26	1,947,756
	5.875%		4	498,318
2016 Series A			566	72,444,582
	2.000%		1	74,666
	4.825%		1	197,082
	4.875%		29	4,300,451
	4.950%		7	653,556
	5.000%		3	145,504
	5.125%		3	306,001
	5.250%		44	4,643,481
	5.375%		26	3,978,255
	5.500%		108	12,265,977
	5.625%		29	4,366,446
	5.750%		91	12,229,020
	5.875%		19	2,962,158
	6.000%		59	6,973,007
	6.125%		16	2,522,737
	6.250%		98	11,608,042
	6.375%		8	1,314,886
	6.500%		15	2,352,217
	6.625%		6	1,103,708
	6.750%		3	447,388
2017 Series A ⁽⁷⁾			622	66,365,873
	1.500%		1	103,225
	2.000%		1	204,209
	3.625%		1	106,557
	4.000%		2	118,435
	4.875%		41	5,665,510
	4.950%		27	1,108,956
	5.000%		16	603,609
	5.250%		1	130,303
	5.350%		1	105,436
	5.375%		16	1,883,875
	5.500%		68	5,352,316
	5.625%		33	3,158,244
	5.750%		44	3,984,852
	5.875%		38	3,353,443
	5.875%	(5), (5.24)	4	489,475

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
	6.000%		71	6,893,141
	6.125%		20	2,601,743
	6.250%		70	8,141,176
	6.375%		14	2,102,978
	6.500%		41	5,787,392
	6.625%		8	1,083,917
	6.750%		53	5,895,825
	6.875%		6	1,064,456
	7.000%		25	3,211,274
	7.125%		4	765,031
	7.250%		14	2,190,018
	7.500%		1	113,664
	7.625%		1	146,813
2018 Series AB			605	40,938,992
	1.000%		1	173,373
	2.000%		1	58,811
	3.510%		1	116,218
	3.750%		3	243,568
	3.875%		1	192,888
	4.000%		2	118,599
	4.000%	(4), (4.8)	15	358,674
	4.125%		1	64,961
	4.250%		8	642,705
	4.500%		1	13,420
	4.750%		2	98,598
	4.750%	(5), (5.8)	1	31,129
	4.750%	(5), (5.8)	4	129,215
	4.875%		3	257,568
	4.950%	(5), (5.7)	2	79,341
	4.950%	(5), (5.7)	5	244,500
	5.000%		14	630,671
	5.000%	(4), (4.5)	13	297,409
	5.050%	(5), (5.6)	1	21,110
	5.050%	(5), (5.6)	2	70,672
	5.125%		4	414,470
	5.250%		11	911,396
	5.375%		20	1,756,292
	5.500%		24	1,504,472
	5.625%		32	2,609,456
	5.750%		52	4,043,621
	5.750%	(5), (5.1)	3	93,307
	5.750%	(5), (5.1)	21	613,162
	5.875%		81	6,778,923
	5.875%	(5), (5.24)	24	2,569,856
	6.000%		54	4,237,469
	6.000%	(4), (4.7)	5	168,546
	6.125%		24	1,992,567
	6.250%		37	3,769,716
	6.375%		7	591,337
	6.500%		18	1,050,154
	6.750%		18	966,098

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
	6.875%		2	304,461
	6.900%		9	295,407
	7.000%		33	1,078,958
	7.125%		19	669,191
	7.250%		20	537,896
	7.500%		6	138,807
Collateral Reserve (A)			18	313,915
	4.000%	(3)	18	313,915
Collateral Reserve (C)			191	5,197,475
	0.000%	(3)	1	12,297
	2.000%		3	61,784
	3.500%		1	155,484
	3.875%		2	179,845
	4.000%		27	629,712
	4.125%		1	59,736
	4.375%		10	864,211
	4.500%		3	298,786
	5.000%		30	393,141
	5.125%		3	372,901
	5.250%		2	238,302
	5.500%		1	29,164
	5.625%		3	213,056
	5.750%		3	281,080
	5.875%		1	89,422
	5.950%		7	159,886
	6.000%		1	1
	6.375%		6	19,069
	6.750%		8	59,993
	6.875%		1	29,465
	6.900%		23	171,449
	7.000%		9	173,504
	7.125%		1	45,299
	7.350%		1	14,591
	7.500%		10	131,233
	7.750%		18	206,454
	7.875%		1	45,747
	5.450%	(6)	3	31,761
	8.000%		6	126,951
	8.400%		1	27,351
	8.875%		2	41,823
	9.500%		2	33,977

Sources of Funds	Mortgage Loan Interest Rate	Footnote	Number of Outstanding Loans	Outstanding Principal Balance \$ ⁽²⁾
CDA Assurance			3	262,415
	1.000%		1	93,137
	4.000%		1	82,798
	4.125%		1	86,480
Refinance Loans			10	1,787,398
	6.500%		9	1,567,734
	6.750%		1	219,664
Total All Series ⁽²⁾			3,789	309,066,420

(1) For information on the status of remaining funds from prior Series of Bonds, see "Existing Portfolio and Available Funds Under the Bond Resolution - Status of Available Funds" above.

(2) Individual amounts may not add up to the total amount because of rounding. The total number of loans for all series is adjusted to prevent double counting of participation loans financed from multiple bond series under the Bond Resolution. (For detail on participation loans see Footnote (5)).

(3) The Collateral Reserve Fund is a fund established under the Bond Resolution at the time the 1997 Series A Bonds and the 1997 Series B Bonds were issued. Collateral Reserves (A), and (C) are additional accounts under the Collateral Reserve Fund.

(4) See Page K-9 for more detail.

(5) See Page K-10 for more detail.

(6) These loans are melded loans from various rates of interest with a weighted average of 5.4499%, which were transferred to the Residential Revenue Bond Program from the former Single Family Program Bonds.

(7) Bond Series 505, CDA Refinance Loans, were transferred to 2017 A.

(4) The mortgage rate paid by the borrower is derived from a blend of proceeds from a series of Residential Revenue Bonds and proceeds from the 1998 First Series Bonds issued under the General Certificate and loaned at 0.00%. (See the table below for details)

Footnote #	Indenture	Blended Series	Interest Rate by Series	Interest Rate to Borrower	Number of Current Loans	Outstanding Principal Amount
(4.1)	Residential Revenue Bond	2010 A	6.40%	5.50%	4	8,186
	Residential Revenue Bond	2014 CD	0.00%			50,024
(4.2)	Residential Revenue Bond	2010 A	6.10%	5.50%	17	38,114
	Residential Revenue Bond	1998 B	0.00%			349,381
(4.3)	Residential Revenue Bond	2010 A	5.96%	4.00%	9	39,212
	Residential Revenue Bond	2012 AB	0.00%			80,024
(4.4)	Residential Revenue Bond	2010 A	5.96%	5.50%	40	62,187
	Residential Revenue Bond	2012 AB	0.00%			743,543
(4.5)	Residential Revenue Bond	2010 A	6.75%,7.5%	5.00%	19	132,833
	Residential Revenue Bond	2018 AB	0.00%			297,409
(4.6)	Residential Revenue Bond	2010A	6.625%	5.875%	7	18,282
	Residential Revenue Bond	2012 AB	0.00%			143,204
(4.7)	Residential Revenue Bond	2010 A	6.625%	6.00%	6	17,557
	Residential Revenue Bond	2018 AB	0.00%			168,546
(4.8)	Residential Revenue Bond	2010 A	6.625%	4.00%	25	235,380
	Residential Revenue Bond	2018 AB	0.00%			358,674

(5) The mortgage rate paid by the borrower is derived from a blend of proceeds from different series of Residential Revenue Bonds. (See the table below for details) Total number of loans is adjusted to avoid a double count of the number of loans financed with proceeds of different series issued under the Residential Revenue Bond Resolution.

Footnote #	Indenture	Blended Series	Interest Rate by Series	Interest Rate to Borrower	Number of Current Loans	Outstanding Principal Amount
(5.1)	Residential Revenue Bond	2018 AB	6.625%	5.75%	24	\$ 613,162
	Residential Revenue Bond	2018 AB	0.00%			93,307
(5.4)	Residential Revenue Bond	2012 AB	6.250%	5.00%	23	636,523
	Residential Revenue Bond	2012 AB	0.00%			159,131
(5.6)	Residential Revenue Bond	2018 AB	6.560%	5.05%	3	70,672
	Residential Revenue Bond	2018 AB	0.00%			21,110
(5.7)	Residential Revenue Bond	2018 AB	6.560%	4.95%	7	244,500
	Residential Revenue Bond	2018 AB	0.00%			79,341
(5.8)	Residential Revenue Bond	2012 AB	6.500%	4.75%	19	433,522
	Residential Revenue Bond	2018 AB	0.00%			129,215
	Residential Revenue Bond	2018 AB	0.00%			31,129
(5.9)	Residential Revenue Bond	2014 E	6.260%	5.50%	28	2,107,174
	Residential Revenue Bond	2012 AB	0.00%			291,177
(5.10)	Residential Revenue Bond	2006 H	0.000%	6.00%	19	1,744,841
	Residential Revenue Bond	2006 I	7.110%			214,141
	Residential Revenue Bond	2002 A	0.00%			372,260
(5.24)	Residential Revenue Bond	2018 AB	0.000%	5.875%	28	2,569,856
	Residential Revenue Bond	2017 A	6.99%			489,475

APPENDIX L

**RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of December 31, 2025**

Sources of Funds		Number of Outstanding Loans	Outstanding Principal Balance \$⁽²⁾
1997 Series A		12	\$120,613
	30 Year Amortization	12	120,613
1998 Series A		10	172,330
	30 Year Amortization	10	172,330
1998 Series B⁽¹⁾		51	1,052,244
	30 Year Amortization	51	1,052,244
2000 Series F		9	257,995
	30 Year Amortization	9	257,995
2001 Series E		14	551,511
	30 Year Amortization	14	551,511
2002 Series A⁽¹⁾		10	731,344
	30 Year Amortization	10	731,344
2006 Series G		133	13,504,248
	30 Year Amortization	94	8,309,285
	40 Year Amortization	3	370,136
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	36	4,824,827
2006 Series H⁽¹⁾		14	1,744,841
	30 Year Amortization	14	1,744,841
2006 Series I⁽¹⁾		129	13,386,478
	30 Year Amortization	87	7,273,145
	40 Year Amortization	5	524,753
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	36	5,295,019
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	293,561
2006 Series J		55	5,579,660
	30 Year Amortization	32	2,644,362
	40 Year Amortization	6	787,335
	35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	15	1,922,016
	40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	2	225,947
2010 Series A		53	2,405,949
	30 Year Amortization	53	2,405,949
2011 Series AB		237	23,972,891
	30 Year Amortization	237	23,972,891

APPENDIX L

**RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of December 31, 2025**

Sources of Funds	Number of Outstanding Loans	Outstanding Principal Balance \$⁽²⁾
2012 Series AB	259	7,402,334
30 Year Amortization	259	7,402,334
2014 Series AB	174	7,795,681
30 Year Amortization	174	7,795,681
2014 Series CD	193	8,653,835
30 Year Amortization	193	8,653,836
2014 Series E	247	13,461,999
30 Year Amortization	247	13,461,999
2014 Series F	43	6,515,470
30 Year Amortization	43	6,515,470
2015 Series B	131	14,446,348
30 Year Amortization	116	12,731,309
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	15	1,715,039
2016 Series A	566	72,444,582
30 Year Amortization	266	25,482,241
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	13	1,791,313
40 Year Amortization	32	4,706,054
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	209	32,012,169
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	46	8,452,806
2017 Series A	622	66,365,873
30 Year Amortization	457	42,266,579
40 Year Amortization	49	6,726,489
30 Year with First 7 Years Interest Only Followed by 23 Year Amortization	4	458,302
35 Year with First 5 Years Interest Only Followed by 30 Year Amortization	69	9,750,585
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	43	7,163,918
2018 Series AB	605	40,938,992
30 Year Amortization	588	38,264,673
40 Year Amortization	17	2,674,319
Collateral Reserve (A)⁽³⁾	18	313,915
30 Year Amortization	18	313,915
Collateral Reserve (C)⁽³⁾	191	5,197,475
30 Year Amortization	191	5,197,475

APPENDIX L

**RESIDENTIAL REVENUE BOND PROGRAM LOAN PORTFOLIO BY BOND SERIES AND LOAN TYPE
as of December 31, 2025**

Sources of Funds	Number of Outstanding Loans	Outstanding Principal Balance \$⁽²⁾
CDA Assurance	3	262,415
30 Year Amortization	3	262,415
Refinance Loans	10	1,787,398
30 Year Amortization	3	193,144
40 Year Amortization	6	1,275,575
40 Year with First 7 Years Interest Only Followed by 33 Year Amortization	1	318,679
Total All Series⁽²⁾	3,789	\$309,066,420

Notes:

(1) Loans under this bond series include participation interests purchased with this series bond proceeds. For more information about participation loans see Participations in Mortgage Loans section on page B-1 and Residential Revenue Bond Program Loan by Bond Series and Interest Rate in Appendix K.

(2) Individual amounts may not add up to the total amount because of rounding. The total number of loans for all series is adjusted to prevent double counting of participation loans financed from multiple bond series under the Bond Resolution. (For detail on participation loans see Footnotes (4) and (5) of Appendix K).

(3) The Collateral Reserve Fund is a fund established under the Bond Resolution at the time the 1997 Series A Bonds and the 1997 Series B Bonds were issued. Collateral Reserves (A) and (C) are additional accounts under the Collateral Reserve Fund.

APPENDIX M

RESIDENTIAL REVENUE BOND PROGRAM PREPAYMENT SPEED OF MORTGAGE LOAN PORTFOLIO BY BOND ISSUANCE

Prepayments on mortgage loans are commonly measured relative to a prepayment standard model. The Securities Industry and Financial Markets Association (formerly the Public Securities Association) standard prepayment model (commonly referred to as the “SIFMA Prepayment Model” or “SIFMA”) represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. SIFMA does not purport to be either an historic description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans. One hundred percent (100%) SIFMA assumes prepayment rates of 0.2 percent per year of the then-unpaid principal balance of such mortgage loans in the first months of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100% PSA assumes a constant prepayment rate of six percent per year. Multiples of SIFMA are calculated from this prepayment rate series. For example, 200% PSA assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. The following Average Prepayment Speed tables express the prepayment speed of mortgage loans of the Administration’s Residential Revenue Bonds as a percent of SIFMA based on actual prepayments and assuming all mortgage loans were originated in the month when the greatest number of mortgage loans was originated.

The Average Prepayment Speed tables provide historic SIFMA prepayment speeds. The Administration makes no representation as to the percentage of the principal balance of the loans that will be prepaid as of any date or as to the overall rate of prepayment of such mortgage loans. The Administration makes no representation as to the speed with which any series of Bonds will be redeemed with prepayments.

For information on cross-call practices, see the Administration’s official statements for its Residential Revenue Bonds published from time to time (the most recent of which is dated November 4, 2025, and relates to the Administration’s Residential Revenue Bonds, 2025 Series GH). For additional information please refer to the website, www.dhcd.state.md.us and click CDA Bonds – Investor Information. In the section labeled EMMA Filings, the Administration has provided additional information on its cross-calling practices and the sources for the redemption of bonds in “Other Informational Filings”. Furthermore, the recent and historical quarterly NRMSIR filings include a Ten Year Rule table, a schedule of debt outstanding with the effective yields of bonds, and the mortgage loan portfolio detail by bond series and interest rate.

**MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
RESIDENTIAL REVENUE BONDS**

DECEMBER 2025 PREPAYMENT SPEEDS (PSA)

Origination Year	Outstanding Loan Balance	Outstanding MBS Balance	Outstanding Wtd. Avg. Mortgage Rates			Wtd. Avg. Rem. Term	December 2025 Prepayment Speeds (PSA)		
			Wtd. Avg.	Minimum	Maximum		6-month	1-year	2-year
2025	\$ -	\$ 768,223,422	6.770%	5.625%	7.500%	353	142%	125%	125%
2024	-	497,480,177	7.050%	5.625%	8.375%	339	298%	221%	225%
2023	-	755,051,216	6.959%	5.250%	8.250%	327	173%	163%	178%
2022	-	370,521,762	5.005%	2.432%	7.375%	315	103%	96%	105%
2021	-	375,047,427	3.213%	2.125%	4.625%	304	80%	75%	68%
2020	-	182,341,764	3.817%	2.125%	4.750%	287	152%	128%	98%
2019	327,133	200,733,145	4.288%	2.980%	6.625%	279	102%	90%	102%
2018	4,273,494	31,577,092	4.758%	3.500%	5.875%	260	177%	132%	121%
2017	3,566,971	17,521,445	4.247%	3.500%	4.875%	245	81%	72%	87%
2016	4,853,355	16,058,429	4.021%	2.750%	4.875%	230	144%	122%	88%
2011 to 2015	24,094,663	29,584,462	3.836%	1.000%	6.750%	197	67%	63%	58%
2006 to 2010	214,147,100	-	5.902%	1.500%	9.000%	168	64%	58%	60%
2005 and Prior	46,428,784	-	6.074%	1.000%	11.500%	119	31%	42%	53%
Aggregate	\$ 297,691,501	\$ 3,244,140,342	5.838%	1.000%	11.500%	310	137%	117%	112%