

**OFFICIAL STATEMENT DATED OCTOBER 11, 2023****NEW ISSUE  
BOOK-ENTRY ONLY****RATINGS: Moody's: Aaa  
Fitch: AA+  
See "RATINGS" herein**

*In the opinion of Ice Miller LLP, Indianapolis, Indiana, ("Bond Counsel"), under existing federal statutes, decisions, regulations and rulings, interest on the 2023 Series D-1 and D-2 Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes. Such excludability is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). The interest on the 2023 Series D-1 Bonds (hereinafter defined) is not a specific preference item for purposes of the federal individual alternative minimum tax. The interest on the 2023 Series D-2 Bonds (hereinafter defined) is a specific preference item for purposes of the federal individual alternative minimum tax. However, for tax years beginning after December 31, 2022, the interest on the 2023 Series D-1 Bonds and the 2023 Series D-2 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax. Interest on the 2023 Series D-3 Bonds (as hereinafter defined) is not excludable for federal income tax purposes. In addition, in the opinion of Bond Counsel, under existing statutes, decisions, regulations and rulings, interest on the 2023 Series D Bonds (hereinafter defined) is exempt from income taxation in the State of Indiana. See "TAX MATTERS" herein.*

**\$134,610,000**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**  
**Single Family Mortgage Revenue Bonds**

**\$65,890,000**  
**2023 Series D-1**  
**(Social Bonds)**  
**(Non-AMT)**

**\$4,110,000**  
**2023 Series D-2**  
**(Social Bonds)**  
**(AMT)**

**\$64,610,000**  
**2023 Series D-3**  
**(Social Bonds)**  
**(Taxable)**

**Dated: Date of Delivery****Due: January 1 and July 1 of years shown on inside cover**

The Indiana Housing and Community Development Authority (the "Authority") is issuing its Single Family Mortgage Revenue Bonds, 2023 Series D-1 (Social Bonds) (Non-AMT) (the "2023 Series D-1 Bonds"), its Single Family Mortgage Revenue Bonds, 2023 Series D-2 (Social Bonds) (AMT) (the "2023 Series D-2 Bonds", and together with the 2023 Series D-1 Bonds, the "2023 Series D-1 and D-2 Bonds"), and its Single Family Mortgage Revenue Bonds, 2023 Series D-3 (Social Bonds) (Taxable) (the "2023 Series D-3 Bonds", and together with the 2023 Series D-1 Bonds and the 2023 Series D-2 Bonds, the "2023 Series D Bonds") only as fully registered bonds. The 2023 Series D Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the 2023 Series D Bonds may be made in book-entry-only form, in denominations of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2023 Series D Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2023 Series D Bonds.

The 2023 Series D Bonds will bear interest from the date of their delivery, payable on January 1 and July 1 of each year, commencing on July 1, 2024 (each an "Interest Payment Date") at the rates set forth on the inside cover pages hereof. The 2023 Series D Bonds shall mature on the dates set forth on the inside cover pages hereof, subject to earlier redemption, as more fully described herein (see "THE 2023 SERIES D BONDS" herein). Interest on the 2023 Series D Bonds, together with principal of and redemption premium, if any, on the 2023 Series D Bonds, will be paid by the Trustee and Paying Agent (as defined herein), directly to DTC, so long as DTC or its nominee is the registered owner of the 2023 Series D Bonds. The disbursements of such payments to Beneficial Owners of the 2023 Series D Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as more fully described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the 2023 Series D Bonds are no longer held in book-entry-only form, principal of and redemption premium, if any, on the 2023 Series D Bonds will be payable at the corporate trust operations office of the Paying Agent.

The 2023 Series D Bonds will be issued under (a) a 2016 Amended and Restated Indenture of Trust dated as of June 1, 2016 (as subsequently supplemented and amended, the "Master Indenture"); and (b) a 2023 Series D Supplemental Indenture dated as of November 1, 2023 (the "2023 Series D Supplement" and together with the Master Indenture, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee" and "Paying Agent").

**The 2023 Series D Bonds together with all other bonds and notes issued or to be issued under the Master Indenture (collectively, the "Bonds"), are special obligations of the Authority, payable solely from and secured exclusively by certain revenues and assets pledged to the payment thereof under the Indenture and are equally and ratably secured on parity with any and all other Bonds. The State of Indiana (the "State") has no liability with respect to the Bonds and the Bonds do not constitute a debt, liability or general, moral or other obligation of the State or any political subdivision or taxing authority thereof, and neither the faith and credit nor the taxing power of the State or any political subdivision or taxing authority thereof is pledged to the payment of the principal of or premium, if any, or interest on the Bonds. The Authority has no taxing power. See "SECURITY FOR BONDS" herein.**

**The 2023 Series D Bonds are subject to mandatory, optional and special redemption prior to maturity, including redemption at par from prepayments, repayments and excess revenues attributable to the 2023 Series D Bonds and other Bonds issued under the Indenture and from other sources, and redemption from certain unexpended amounts attributable to the 2023 Series D Bonds. See "REDEMPTION OF 2023 SERIES D BONDS" and "RISK FACTORS—Prepayments" herein.**

The 2023 Series D Bonds have been designated as "Social Bonds." See "DESIGNATION OF THE 2023 SERIES D BONDS AS SOCIAL BONDS" herein.

The cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed decision regarding investment in the 2023 Series D Bonds.

*The 2023 Series D Bonds are offered when, as and if issued by the Authority and received, subject to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its special counsel, Ice Miller LLP, Indianapolis, Indiana, and for the Underwriters by their special counsel Barnes & Thornburg LLP, Indianapolis, Indiana. It is expected that the 2023 Series D Bonds in definitive form will be available for delivery in New York, New York, on or about November 16, 2023.*

**J.P. Morgan****RBC Capital Markets****Barclays****HilltopSecurities****Jefferies****Morgan Stanley****TD Securities**

**\$134,610,000**  
**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**  
**Single Family Mortgage Revenue Bonds**  
**2023 Series D-1 and 2023 Series D-2**  
**Maturity Schedule**

**\$65,890,000 2023 Series D-1 Bonds (Social Bonds) (Non-AMT)**

\$3,880,000 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup>
1/1/2028	\$40,000	4.150%	100.000%	45505TP62
7/1/2028	40,000	4.150	100.000	45505TP70
1/1/2029	50,000	4.250	100.000	45505TP88
7/1/2029	60,000	4.300	100.000	45505TP96
1/1/2030	75,000	4.350	100.000	45505TQ20
7/1/2030	95,000	4.350	100.000	45505TQ38
1/1/2031	105,000	4.400	100.000	45505TQ46
7/1/2031	140,000	4.450	100.000	45505TQ53
1/1/2032	150,000	4.500	100.000	45505TQ61
7/1/2032	185,000	4.550	100.000	45505TQ79
1/1/2033	200,000	4.600	100.000	45505TQ87
7/1/2033	205,000	4.650	100.000	45505TQ95
1/1/2034	600,000	4.700	100.000	45505TR29
7/1/2034	620,000	4.700	100.000	45505TR37
1/1/2035	645,000	4.750	100.000	45505TR45
7/1/2035	670,000	4.800	100.000	45505TR52

\$4,580,000 4.800% 2023 Series D-1 Term Bonds due July 1, 2038 (CUSIP<sup>1</sup>: 45505TR60) - Price 100.000%  
\$10,325,000 5.000% 2023 Series D-1 Term Bonds due July 1, 2043 (CUSIP<sup>1</sup>: 45505TR78) - Price 100.000%  
\$15,000,000 5.125% 2023 Series D-1 Term Bonds due July 1, 2048 (CUSIP<sup>1</sup>: 45505TR86) - Price 100.000%  
\$32,105,000 5.200% 2023 Series D-1 Term Bonds due July 1, 2053 (CUSIP<sup>1</sup>: 45505TR94) - Price 100.000%

**\$4,110,000 2023 Series D-2 Bonds (Social Bonds) (AMT)**

\$4,110,000 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup>
7/1/2024	\$425,000	4.300%	100.000%	45505TS28
7/1/2025	1,195,000	4.400	100.000	45505TS36
7/1/2026	1,285,000	4.400	100.000	45505TS44
7/1/2027	1,205,000	4.500	100.000	45505TS51

<sup>1</sup> CUSIP data herein is provided by the CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included for the convenience of the holders of the 2023 Series D Bonds. Neither the Authority nor the Trustee is responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the 2023 Series D Bonds or as indicated above.

**\$64,610,000**  
**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**  
**Single Family Mortgage Revenue Bonds**  
**2023 Series D-3 (Social Bonds) (Taxable)**  
**Maturity Schedule**

\$9,745,000 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup>
7/1/2027	\$185,000	5.546%	100.000%	45505TM40
1/1/2028	695,000	5.606	100.000	45505TM57
7/1/2028	720,000	5.646	100.000	45505TM65
1/1/2029	740,000	5.769	100.000	45505TM73
7/1/2029	760,000	5.819	100.000	45505TM81
1/1/2030	780,000	5.869	100.000	45505TM99
7/1/2030	790,000	5.919	100.000	45505TN23
1/1/2031	810,000	5.943	100.000	45505TN31
7/1/2031	815,000	5.993	100.000	45505TN49
1/1/2032	840,000	6.023	100.000	45505TN56
7/1/2032	840,000	6.043	100.000	45505TN64
1/1/2033	870,000	6.073	100.000	45505TN72
7/1/2033	900,000	6.093	100.000	45505TN80

\$8,070,000 6.113% 2023 Series D-3 Term Bonds due July 1, 2038 (CUSIP<sup>1</sup>: 45505TN98) - Price 100.000%  
\$5,405,000 6.270% 2023 Series D-3 Term Bonds due July 1, 2043 (CUSIP<sup>1</sup>: 45505TP21) - Price 100.000%  
\$14,330,000 6.370% 2023 Series D-3 Term Bonds due July 1, 2048 (CUSIP<sup>1</sup>: 45505TP39) - Price 100.000%  
\$12,060,000 6.400% 2023 Series D-3 Term Bonds due July 1, 2053 (CUSIP<sup>1</sup>: 45505TP47) - Price 100.000%  
\$15,000,000 6.500% 2023D-3 PAC Bonds due July 1, 2054 (CUSIP<sup>1</sup>: 45505TP54) - Price 102.591%

<sup>1</sup> CUSIP data herein is provided by the CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included for the convenience of the holders of the 2023 Series D Bonds. Neither the Authority nor the Trustee is responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the 2023 Series D Bonds or as indicated above.

ERIC HOLCOMB  
Governor of the State of Indiana

## **INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

SUZANNE CROUCH  
Lieutenant Governor of the State of Indiana  
*Chair*

DANIEL ELLIOTT  
Treasurer of State of Indiana  
*Vice Chair*

DAN HUGE  
Public Finance Director of the State of Indiana  
*Member*

THOMAS K. McGOWAN  
*Member*

ANDY PLACE, SR.  
*Member*

G. MICHAEL SCHOPMEYER  
*Member*

J. JACOB SIPE  
*Executive Director*

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations in connection with the 2023 Series D Bonds not contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2023 Series D Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Trustee, DTC, the Servicer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2023 Series D Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date of this Official Statement. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE PRICES AT WHICH THE 2023 SERIES D BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGES HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2023 SERIES D BONDS, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2023 SERIES D BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2023 SERIES D BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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**OFFICIAL STATEMENT**  
relating to

**\$70,000,000**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**  
**Single Family Mortgage Revenue Bonds**  
**2023 Series D-1 (Social Bonds) (Non-AMT) and 2023 Series D-2 (Social Bonds) (AMT)**

**\$64,610,000**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**  
**Single Family Mortgage Revenue Bonds**  
**2023 Series D-3 (Social Bonds) (Taxable)**

**INTRODUCTION**

This Official Statement, including the cover page hereof and appendices hereto, is provided for the purpose of presenting certain information relating to the Indiana Housing and Community Development Authority (the “*Authority*”) in connection with the initial offering and sale of its Single Family Mortgage Revenue Bonds, 2023 Series D-1 (Social Bonds) (Non-AMT) (the “*2023 Series D-1 Bonds*”), Single Family Mortgage Revenue Bonds, 2023 Series D-2 (Social Bonds) (AMT) (the “*2023 Series D-2 Bonds*”), and together with the 2023 Series D-1 Bonds, the “*2023 Series D-1 and D-2 Bonds*”), and Single Family Mortgage Revenue Bonds, 2023 Series D-3 (Social Bonds) (Taxable) (the “*2023 Series D-3 Bonds*”), and together with the 2023 Series D-1 and D-2 Bonds, the “*2023 Series D Bonds*”). The 2023 Series D Bonds will be issued in the aggregate principal amount of \$134,610,000. The 2023 Series D Bonds will be issued pursuant to Chapter 1 of Article 20 of Title 5 of the Indiana Code, as amended (the “*Act*”), under a 2016 Amended and Restated Indenture of Trust dated as of June 1, 2016 (as subsequently supplemented and amended, the “*Master Indenture*”) and a 2023 Series D Supplemental Indenture dated as of November 1, 2023 (the “*2023 Series D Supplement*” and together with the Master Indenture, the “*Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (such trustee, together with any successor or successors or any other person substituted in its place pursuant to the Indenture, the “*Trustee*”).

**The Authority has previously issued numerous series of bonds and notes under the Master Indenture and related supplemental indentures. As of July 1, 2023, the Authority had outstanding \$1,030,510,000 aggregate principal amount of such obligations. See “SINGLE FAMILY MORTGAGE PROGRAM” herein. The 2023 Series D Bonds (together with any and all other bonds and notes which have been or may be issued under the Indenture, collectively, the “*Bonds*”) are equally and ratably secured on parity with any and all other Bonds. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Provisions for Issuance of Bonds,” “—Provisions for Refunding Issues” and “—Additional Bonds” attached hereto.**

Mortgage Loan activity is now held in the form of Mortgage Certificates, except for specific references herein to down payment assistance loans which are Mortgage Loans which are not held as Mortgage Certificates. Therefore, references to Mortgage Loans in this Official Statement are in fact references to the Mortgage Certificates into which the underlying loans have been securitized, except for specific references herein to down payment assistance loans which are Mortgage Loans which are not held as Mortgage Certificates. As of June 30, 2023, \$963,158,623 aggregate principal amount of Mortgage Certificates backed by Mortgage Loans (as defined herein), including \$786,461,350 aggregate principal amount of GNMA Certificates (as hereinafter defined), \$103,150,297 aggregate principal amount of UMBS (as hereinafter defined) in connection with Mortgage Loans backed by Fannie Mae and \$73,546,976 aggregate principal amount of UMBS (in connection with Mortgage Loans backed by Freddie Mac), were held under the Indenture. As of June 30, 2023, \$71,649,150 of Investment Securities (as hereinafter defined) representing proceeds of Bonds available for the origination of Mortgage Loans were held in the Loan Account and \$170,101,526 aggregate principal amount of Investment Securities excluding Mortgage Certificates, were held in the Revenue Account under the Indenture.

The 2023 Series D Bonds are special obligations of the Authority, payable solely from and secured exclusively by certain Revenues (as defined herein) and assets pledged to the payment thereof under the Indenture. See “SECURITY FOR BONDS” herein for additional information.

THE STATE OF INDIANA (THE “STATE”) HAS NO LIABILITY WITH RESPECT TO THE 2023 SERIES D BONDS AND THE 2023 SERIES D BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL, MORAL OR OTHER OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION OR TAXING AUTHORITY THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY TAXING AUTHORITY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE 2023 SERIES D BONDS. THE AUTHORITY HAS NO TAXING POWER.

The 2023 Series D Bonds are being issued by the Authority to (i) with respect to a portion of the 2023 Series D-1 and D-2 Bonds, refund certain outstanding indebtedness of the Authority (the “Prior Indebtedness”) in order to make funds available which will be used, together with the remaining proceeds of the 2023 Series D Bonds, to finance 2023 Series D Mortgage Loans (defined herein) under its single family mortgage loan program through the purchase of Mortgage Certificates, as more fully described herein; and (ii) provide down payment assistance loans in connection therewith. See “FINANCING PLAN,” “SOURCES AND USES OF FUNDS” and “SINGLE FAMILY MORTGAGE PROGRAM” herein. Upon the issuance of the Series 2023 Series D Bonds, a portion of the proceeds of the Series 2023 Series D-1 and D-2 Bonds will be applied to redeem the Prior Indebtedness on or about January 1, 2024. Upon the redemption of the Prior Indebtedness, funds in an amount approximately equal to the proceeds of the 2023 Series D-1 and D-2 Bonds used to redeem the Prior Indebtedness will be deposited into the 2023 Series D Subaccount of the Loan Account, together with the remaining proceeds of the 2023 Series D Bonds.

The 2023 Series D Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchasers of beneficial interests in the 2023 Series D Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the 2023 Series D Bonds. Purchases of beneficial interests in the 2023 Series D Bonds may be made in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. The 2023 Series D Bonds will bear interest from the date of their delivery, payable on January 1 and July 1 of each year (each an “Interest Payment Date”) commencing on July 1, 2024, at the rates per annum and will mature in the corresponding amounts all as set forth on the inside cover pages of this Official Statement. See “THE 2023 SERIES D BONDS” herein.

Interest on the 2023 Series D Bonds, together with principal of and redemption premium, if any, on the 2023 Series D Bonds, will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent (such paying agent, together with any successor or successors or any other person substituted in its place pursuant to the Indenture, the “Paying Agent”), directly to DTC, so long as DTC or its nominee is the registered owner of the 2023 Series D Bonds. The disbursement of such payments to Beneficial Owners will be the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. See “BOOK-ENTRY-ONLY SYSTEM.” In the event that the 2023 Series D Bonds are no longer held in book-entry form, all payments on the 2023 Series D Bonds will be payable at the corporate trust operations office of the Paying Agent.

The 2023 Series D Bonds are subject to mandatory, optional and special redemption prior to maturity, including redemption at par from prepayments, repayments and excess revenues attributable to the 2023 Series D Bonds and other Bonds issued under the Indenture and from other sources, and the 2023 Series D Bonds are also subject to redemption from certain unexpended amounts attributable to the 2023 Series D Bonds.

**It is expected that a substantial portion of the 2023 Series D Bonds will be redeemed prior to their stated maturity dates or scheduled mandatory sinking fund redemption dates.** See “REDEMPTION OF 2023 SERIES D BONDS” and “RISK FACTORS—Prepayments” and “—Non-Origination” herein.

The global outbreak of COVID-19 and measures taken by the Federal, state and local governments in response thereto are altering the behavior of individuals, governmental entities and businesses in a manner that may have negative effects on economic activity across the country and the State. For descriptions of certain of these measures and the Authority’s continuity of operations plan, see “RISK FACTORS –COVID-19 Pandemic” herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The information contained under this caption “INTRODUCTION” is qualified by reference to the entire Official Statement. This introduction is only a brief description and potential investors should review the entire Official

Statement, including the appendices hereto, as well as the documents summarized or described herein, in order to make an informed investment decision.

Information concerning the 2023 Series D Bonds, the Authority and the Programs (as defined herein) and descriptions of certain provisions of the Act, the 2023 Series D Bonds and the Indenture are included in this Official Statement. All summaries herein of any statute, agreement or document are qualified in their entirety by reference to such statute, agreement or document, and all summaries of the 2023 Series D Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. Copies of the Indenture are available for inspection at the offices of the Authority at 30 South Meridian Street, Suite 900, Indianapolis, Indiana 46204-3564, (317) 232-7777, or electronically by making a request to Series2023D@ihcda.in.gov, and, during the offering period for the 2023 Series D Bonds, at the offices of the Underwriters, located at 383 Madison Avenue, New York, New York 10179, Attention Municipal Underwriting Desk.

The Authority will enter into a Continuing Disclosure Undertaking Agreement dated as of November 1, 2023, for the purpose of permitting the Underwriters to purchase the 2023 Series D Bonds in compliance with the Securities and Exchange Commission Rule 15c2-12. See “CONTINUING DISCLOSURE” herein and “APPENDIX E: CONTINUING DISCLOSURE UNDERTAKING AGREEMENT” attached hereto.

Certain terms used in this Official Statement are defined in “APPENDIX F: CERTAIN DEFINITIONS” attached hereto.

## **FINANCING PLAN**

### **General**

A portion of the 2023 Series D-1 and D-2 Bonds are being issued to refund Prior Indebtedness in order to make funds available which will be used, together with the remaining proceeds of the 2023 Series D Bonds to make available moneys in the Loan Account for the purchase of Mortgage Certificates (as defined in the Indenture) to finance the origination of qualifying mortgage loans made to certain eligible borrowers for single family, owner-occupied housing in the State (collectively the “*2023 Series D Mortgage Loans*”) and finance down payment assistance loans in connection therewith. The proceeds of the 2023 Series D Bonds will be deposited in the 2023 Series D Subaccount of the Loan Account (the “*2023 Series D Subaccount*”) established under the Indenture, and invested by the Trustee until used to purchase 2023 Series D Mortgage Loans.

The 2023 Series D-1 Bonds are identified as Non-AMT Bonds. The 2023 Series D-2 Bonds are identified as AMT Bonds. The 2023 Series D-3 Bonds are identified as taxable Bonds.

### **The 2023 Series D Mortgage Loans**

The Authority expects that the 2023 Series D Mortgage Loans will include loans for the acquisition or the acquisition and rehabilitation of residences in the State. The interest rates, origination fees and terms of such loans may vary. The 2023 Series D Mortgage Loans are expected to be originated pursuant to multiple programs of the Authority designed to accomplish specific housing goals of the Authority (the “*Programs*”).

With respect to the Programs, the Authority anticipates financing (a) FHA/VA/USDA insured Mortgage Loans through the purchase of GNMA Certificates by the Trustee (the “*GNMA Loans*”) and (b) conventional loans through the purchase of UMBS representing Fannie Mae Loans and Freddie Mac Loans by the Trustee.

On June 3, 2019, Fannie Mae and Freddie Mac began issuing common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security. The UMBS finance the same types of fixed-rate mortgages that previously backed Fannie Mae Certificates and Freddie Mac PCs. The UMBS have characteristics similar to legacy Fannie Mae Certificates.

The weighted average fixed interest rate on the 2023 Series D Mortgage Loans is initially expected to be approximately 7.50% per annum and the initial term of the 2023 Series D Mortgage Loans is expected to be 30 years.

Approximately \$126,952,000 of the proceeds of the 2023 Series D Bonds are expected to be used by March 1, 2024 to purchase Mortgage Certificates. Approximately \$8,046,000 of the 2023 Series D Bond proceeds will also be used to finance down payment assistance loans. The Authority expects to provide down payment assistance loans in connection with each 2023 Series D Mortgage Loan. The Authority is currently utilizing its First Place Program, and the amount of down payment assistance loan under the Authority's current First Place Program is equal to approximately 6% of the home's purchase price. Each down payment assistance loan offered in connection with the First Place Program is offered as a forgivable second mortgage, junior and subordinate to the related first mortgage loan. With respect to the First Place Program, such second mortgage is offered with a term of nine years, is non-interest bearing and will be forgiven at the end of the nine year term. Under the First Place Program, if the related home is sold, or if the first mortgage is refinanced, the remaining amount of the second mortgage, if any, must be repaid. See "SINGLE FAMILY MORTGAGE PROGRAM – Single Family Mortgage Lending Program" herein. However, the Authority may modify the current down payment assistance program and develop new down payment assistance programs as part of its homeownership lending programs. Pursuant to the Programs, the fixed interest rates at which mortgage loans are originated may change from time to time and the Authority expects to evaluate interest rates weekly and to change the interest rates as appropriate in light of rates in the residential mortgage market generally, economic conditions and financial considerations of the Authority, all within the limitations established by federal tax laws and regulations. See "FEDERAL TAX LAW REQUIREMENTS" and "SINGLE FAMILY MORTGAGE PROGRAM" herein.

The Authority has entered into (and anticipates entering into additional) origination agreements (the "*Origination Agreements*") with qualified mortgage lending institutions (the "*Lenders*"), pursuant to which the Lenders may originate 2023 Series D Mortgage Loans under the Program. Upon closing of the 2023 Series D Mortgage Loans, the Lenders will sell such GNMA Loans, Fannie Mae Loans and Freddie Mac Loans to U.S. Bank National Association, as servicer for the Programs (the "*Servicer*"). See "SINGLE FAMILY MORTGAGE PROGRAM" herein.

In connection with the origination of the 2023 Series D Mortgage Loans, the Trustee, on behalf of the Authority, will purchase from the Servicer the Mortgage Certificates which are backed by the 2023 Series D Mortgage Loans. The Mortgage Certificates shall consist of any one or more of the following: (i) fully modified mortgage-backed securities ("*GNMA Certificates*"), the timely payment of principal of and interest on which is guaranteed by the Government National Mortgage Association ("*GNMA*"), a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development, (ii) Uniform Mortgage-Backed Securities, the timely payment of principal of and interest on which is guaranteed by the Federal National Mortgage Association ("*Fannie Mae*"), a body corporate created and existing under the laws of the United States of America, or the timely payment of principal of and interest on which is guaranteed by the Federal Home Loan Mortgage Corporation ("*Freddie Mac*"), a body corporate created and existing under the laws of the United States of America (such securities of Fannie Mac and Freddie Mac together, "*UMBS*").

The Authority currently expects that the 2023 Series D Mortgage Loans will be financed through the purchase of GNMA Certificates and conventional loans through the purchase of UMBS representing Fannie Mae Loans and Freddie Mac Loans by the Trustee. The obligations of Fannie Mae under its guarantees of the Fannie Mae Loans are obligations of Fannie Mae only and the obligations of Freddie Mac under its guarantees of the Freddie Mac Loans are obligations of Freddie Mac only. The UMBS, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Fannie Mae and Freddie Mac, as applicable, and are not entitled to the full faith and credit of the United States. See "APPENDIX A: SUMMARY OF MORTGAGE CERTIFICATE PROGRAM" attached hereto.

The Servicer will be required to purchase the 2023 Series D Mortgage Loans and issue and sell such GNMA Certificates or UMBS, as applicable, with respect thereto to the Trustee. See "SINGLE FAMILY MORTGAGE PROGRAM" herein.

*[Remainder of Page Intentionally Left Blank]*

## SOURCES AND USES OF FUNDS

The proceeds of the issuance of the 2023 Series D Bonds, together with moneys available under the Indenture or contributed by the Authority, are expected to be used to provide moneys for deposit under the Indenture and to pay certain costs as described below:

### Sources of Bond Funds

2023 Series D-1 Bond Principal	\$65,890,000.00
2023 Series D-2 Bond Principal	\$4,110,000.00
2023 Series D-3 Bond Principal	\$64,610,000.00
2023 Series D-3 Bond Premium	\$388,650.00
Funds Available Under the Indenture	\$1,309,179.00

<b>Total Sources of Funds</b>	<b>\$136,307,829.00</b>
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### Uses of Bonds Funds

Loan Account <sup>1</sup>	
2023 Series D Subaccount	\$134,998,650.00
Total Issuance Costs	\$1,309,179.00

<b>Total Uses of Funds</b>	<b>\$136,307,829.00</b>
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<sup>1</sup>A portion of the proceeds of the 2023 Series D-1 Bonds and all of the proceeds of the 2023 Series D-2 Bonds will be transferred pursuant to the Indenture and applied to redeem the Prior Indebtedness. As a result of such transfer and redemption an amount equal to such proceeds of the bonds refunded by the 2023 Series D-1 and D-2 Bonds will be deposited to the 2023 Series D Subaccount of the Loan Account, which together with the remaining proceeds of the Series 2023 Series D-1 and D-2 Bonds and the proceeds of the 2023 Series D-3 Bonds are expected to be used by the Authority to acquire approximately \$126,952,000 in principal amount of GNMA Certificates and UMBS and approximately \$8,046,000 is expected to be used for financing of down payment assistance loans in conjunction with financing of 2023 Series D Mortgage Loans.

## THE 2023 SERIES D BONDS

### General

The 2023 Series D Bonds are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, and will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) who shall act as securities depository for such 2023 Series D Bonds. So long as DTC or Cede & Co. is the registered owner of the 2023 Series D Bonds, payment of principal, redemption price, purchase price and interest with respect to the 2023 Series D Bonds are to be made directly to DTC by the Paying Agent or its successors as Paying Agent. Disbursements of such payments to DTC Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants as more fully described herein. The Bank of New York Mellon Trust Company, N.A. shall serve as Trustee.

The 2023 Series D Bonds shall bear interest from the Delivery Date at the rates as set forth on the inside cover pages hereof, payable on each January 1 and July 1, commencing July 1, 2024, until maturity or earlier redemption. Interest on the 2023 Series D Bonds is to be computed based on a year of 360 days consisting of twelve 30-day months. The Record Date for the 2023 Series D Bonds shall be the fifteenth day preceding each Interest Payment Date, or the first Business Day thereafter if said fifteenth day is not a Business Day.

## DESIGNATION OF THE 2023 SERIES D BONDS AS SOCIAL BONDS

### Overview

The 2023 Series D Bonds will be designated by the Authority as “Social Bonds.” The Authority is issuing the 2023 Series D Bonds as Social Bonds based on the intended use of proceeds of the 2023 Series D Bonds to finance Mortgage Loans and to fund down payment assistance loans under the Authority’s single family homebuyer program, both types of loans are generally made to first-time homebuyers of low and moderate income throughout the State. See “Authority Mission and Homebuyer Programs” and “Historical Program Data” below.

The Authority’s goal in providing down payment assistance within the framework of a bond-financed home mortgage program targeting low- and moderate-income first-time homebuyers is to recognize the difficulty such homebuyers have in accumulating the initial funds generally needed for a first-time home purchase. Low interest rates are not always enough for the lower-income homebuyer who cannot leverage equity from the sale of a prior home to purchase their first house. The Authority recognizes that the first home purchase is for many people the first opportunity that they will have to build wealth over time via homeownership for their future financial security.

The Authority believes the intended use of proceeds of the 2023 Series D Bonds and the manner of expenditure of such funds are consistent with the four core components described by the International Capital Market Association (“ICMA”) in its June 2023 publication, *Social Bond Principles*: (1) Use of Proceeds, (2) Process for Evaluation and Selection, (3) Management of Proceeds and (4) Reporting.

The term “Social Bonds” is neither defined in nor related to the provisions in the Indenture. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Social Bonds is entitled to any additional security beyond that provided therefor in the Indenture. Holders of Social Bonds do not assume any specific risk with respect to any of the 2023 Series D Mortgage Loans by any reason of the 2023 Series D Bonds being designated as Social Bonds, and such 2023 Series D Bonds are secured on parity with all other Single Family Mortgage Revenue Bonds issued and to be issued under the Indenture.

*Use of Proceeds.* The 2023 Series D Bond proceeds will be used to finance Mortgage Loans generally made to first-time homebuyers of low and moderate income throughout the State. The Authority anticipates the 2023 Series D Bond proceeds will be utilized to (i) purchase Mortgage-Backed Securities backed by pools of such 2023 Series D Mortgage Loans and (ii) fund down payment assistance loans.

*Process for Loan Evaluation and Selection.* Each 2023 Series D Mortgage Loan financed with proceeds of the 2023 Series D Bonds will be a permitted loan under the Indenture, the Act and the Code that meet eligibility criteria under the Authority’s homebuyer programs, as more fully described in “SINGLE FAMILY MORTGAGE PROGRAM” and “FEDERAL TAX LAW REQUIREMENTS.”

*Management of Proceeds.* The proceeds of the 2023 Series D Bonds allocable to the purchase of new loans will be deposited in segregated accounts under the Indenture and invested in Investment Securities as permitted by the Indenture until disbursed to finance Mortgage Loans or Mortgage Certificates backed by pools of Mortgage Loans. Such disbursements will be tracked by the Authority. See “APPENDIX D —SUMMARY OF CERTAIN PROVISIONS OF INDENTURE” attached hereto.

*Post-Issuance Reporting.* The Authority expects to provide annual updates, as of the last day of each calendar year commencing with calendar year 2023, regarding the disbursement of the proceeds of the 2023 Series D Bonds to achieve the Social Bond goals described above. The Authority expects that such annual updates will consist of the information outlined in “APPENDIX I — FORM OF SOCIAL BONDS ANNUAL REPORT”; the specific form and content of such updates are in the absolute discretion of the Authority. The Authority will provide a final annual report and thereafter cease to update such information when the applicable lendable proceeds have been fully expended. While the Authority expects to post such annual updates as voluntary filings on the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”), this reporting is separate from the Authority’s obligations described under “CONTINUING DISCLOSURE.” Failure by the Authority to provide such updates is not a default or an event of default under the Indenture or the Continuing Disclosure Undertaking.

The ICMA Social Bond Principles (“SBP”) include project categories, for the most commonly used types of projects supported by or expected to be supported by the Social Bond market. The Authority believes that such project categories relevant to the Authority’s programs and intended utilization of the 2023 Series D Bond proceeds include providing and/or promoting affordable housing, access to essential services and socioeconomic advancement and empowerment. Through the Authority’s homebuyer program, the Authority helps to make homeownership of owner-occupied primary residences affordable for qualified low- and moderate-income first-time homebuyers in the State. These home purchases are subject to purchase price limitations. The Authority makes available 30-year fixed interest rate mortgages along with the availability of down payment assistance, which can be a barrier to entry particularly for many lower-income prospective borrowers, including those in underserved populations. For any eligible borrower of an Authority first mortgage loan, the Authority also offers homebuyer financial education programs and opportunities for down payment assistance loans. See “Authority Mission and Homebuyer Programs” and “Historical Data” below and “SINGLE FAMILY MORTGAGE PROGRAM – Single Family Mortgage Lending Programs” herein.

By reference to the ICMA’s *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals (June 2023)*, which links the ICMA Social Bond Principles to the framework provided by the United Nations 17 Sustainable Development Goals (“SDGs”), the Authority has determined that its homebuyer programs and the intended use of proceeds of the 2023 Series D Bonds are relevant to the following SDGs:

- SDG 1 (No Poverty) is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SBP categories of Affordable Housing, Access to Essential Services and Socioeconomic Advancement and Empowerment.
- SDG 8 (Decent Work and Economic Growth) is focused on promoting sustained, inclusive and sustainable economic growth. Target 8.10 maps to the SBP category of Access to Essential Services.
- SDG 10 (Reduced Inequalities) is focused on reducing inequality and promoting social and economic inclusion for all. Target 10.2 maps to the SBP categories of Access to Essential Services and Socioeconomic Advancement and Empowerment, and Target 10.3 maps to the SBP category of Socioeconomic Advancement and Empowerment.
- SDG 11 (Sustainable Cities and Communities) is focused on making cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 maps to the SBP category of Affordable Housing.

The SDGs were adopted by the United Nations General Assembly on September 25, 2015 as part of its 2030 Agenda for Sustainable Development.

### **Authority Mission and Homebuyer Programs**

The Authority and its predecessor organizations have been Indiana’s affordable housing leader for more than 40 years. The Authority’s mission is to provide housing opportunities, promote self-sufficiency and strengthen communities. The Authority believes all Indiana residents should have the opportunity to live in safe, affordable, good-quality housing in economically stable communities. Through the Authority’s homebuyer programs, the Authority’s purpose is to achieve the following objectives: (i) create and preserve housing for Indiana’s most vulnerable population; (ii) include people of all demographics in homeownership programs; and (iii) the effective participation by mortgage lenders in the Authority’s homebuyer programs.

The Authority’s programs are available to a broad range of potential homebuyers for the purpose of making the dream of homeownership a reality for all residents of the State. The Authority’s core bond-funded homebuyer program offers 30-year amortizing fixed interest rate mortgage loans and down payment assistance loans to low- and moderate- income first-time homebuyers and buyers who have not owned a home in the last three years (with certain exceptions in Targeted Areas). According to requirements of the Code, to qualify for an Authority mortgage loan, applicants must meet specific income criteria specific to the particular county of the State and the owner-occupied home they plan to purchase must be within sales price guidelines specific to the area of the State. In areas designated as “Targeted Areas” or census tracts defined by the IRS as an area of chronic economic distress which could benefit from increased homeownership, such income limit and sales price limits may be increased. See “FEDERAL TAX

LAW REQUIREMENTS” for further information. To encourage and facilitate the greatest financial success, the Authority makes available homebuyer education to enable the Authority’s borrowers to obtain the financial tools needed for successful homeownership.

For more homebuyer program information, in addition to other non-bond funded affordable homeownership program activities, please refer to the Authority’s website.

### Historical Program Data

The following tables provide summary data describing historical loan origination activity for the Authority’s first time homebuyer program and down payment assistance loans, and the borrower profile expressed in relation to the borrower’s income as a percentage of the area median income (AMI) for Mortgage Loans financed by the Authority under the Indenture over the last four calendar years (2019 – 2022).

<b>Indiana Housing and Community Development Authority Homebuyer Program Highlights (January 2019 – December 2022) For Mortgage Loans Financed* under the Master Indenture</b>			
<b>Bond Eligible Single Family Mortgage Program Loans</b>		<b>Down Payment Assistance (DPA) Loans</b>	
Loan Volume (\$)	\$ 814,648,747	DPA Loan Volume (\$)	\$ 45,321,155
Loans Provided (#)	5,093	DPA Loans Provided (#)	5,093
Average Loan Amount	\$ 159,955	Average DPA Loan Amount	\$ 8,899
Average Purchase Price	\$ 163,901	Largest DPA Loan Amount	\$ 22,230
Average Household Income	\$ 50,242	% Eligible Borrowers Using DPA	100%
% Minority	27.3%		
% Female Head of Household	47.5%		

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\* Such Mortgage Loans were pooled into Mortgage-Backed Securities.



**Indiana Housing and Community Development Authority  
Mortgage Loans<sup>(\*)</sup> Originated by Borrower Income as a  
Percentage of Area Median Income  
and Financed under the Master Indenture**

AMI Band	2019		2020		2021		2022		Total	
	Loans (\$ millions)	Cumulative (%)	Loans (\$ millions)	Cumulative (%)	Loans (\$ millions)	Cumulative (%)	Loans (\$ millions)	Cumulative (%)	Loans (\$ millions)	Cumulative (%)
Below 50%	18.0	14.7%	20.0	18.0%	36.0	18.3%	72.2	18.8%	146.3	18.0%
50.1% - 60%	21.9	32.5%	22.1	37.8%	37.6	37.4%	73.6	38.0%	155.1	37.0%
60.1% - 70%	20.6	49.3%	18.6	54.5%	35.1	55.3%	71.1	56.5%	145.4	54.8%
70.1% - 80%	18.7	64.6%	17.0	69.8%	31.1	71.1%	57.1	71.4%	124.0	70.1%
80.1% - 90%	20.2	81.0%	15.1	83.5%	19.7	81.1%	50.5	84.6%	105.5	83.1%
90.1% - 100%	11.8	90.6%	10.8	93.1%	19.9	91.2%	32.4	93.0%	74.9	92.3%
100.1% - 110%	7.1	96.4%	5.5	98.1%	10.1	96.4%	17.3	97.5%	40.0	97.2%
110.1% - 120%	3.5	99.2%	1.7	99.6%	4.1	98.4%	6.3	99.1%	15.5	99.1%
Above 120%	0.9	100.0%	0.4	100.0%	3.1	100.0%	3.6	100%	8.0	100%
Totals	122.6		111.3		196.6		384.1		814.6	

This historical data provided herein assisted the Authority in making its determination that the use of the proceeds of the 2023 Series D Bonds is expected to meet the goals discussed herein for their designation as Social Bonds.

Past uses of the Authority's bond proceeds do not guarantee that the 2023 Series D Bond proceeds will be used in the same manner or with the same results. The information set forth herein concerning the designation of the 2023 Series D Bonds as "Social Bonds" has been furnished by the Authority and by other sources that are believed to be reliable but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority. The information and expressions of opinion related to the designation as Social Bonds herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Authority since the date hereof.

It should be noted that there is currently no clearly defined definition (legal, regulatory, or otherwise) of, nor market consensus as to what constitutes a "social bond" or an equivalently labeled program or as to what precise attributes are required for a particular program to be defined as "social" or such other equivalent label. No assurance can be given that such a clear definition will develop over time, or that, if developed, will include the program to be financed with the 2023 Series D Bond proceeds. Accordingly, no assurance is or can be given to investors that any uses of the 2023 Series D Bonds will meet investor expectations regarding such "social" or other equivalently-labeled performance objectives.

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\* Such Mortgage Loans were pooled into Mortgage-Backed Securities

## REDEMPTION OF 2023 SERIES D BONDS

### General Redemption Provisions

**The 2023 Series D Bonds are subject to special, mandatory and optional redemption prior to their respective stated maturities, all as more fully described below.**

BECAUSE THE 2023 SERIES D BONDS ARE SUBJECT TO REDEMPTION OR PURCHASE AS DESCRIBED IN THIS OFFICIAL STATEMENT, A SUBSTANTIAL PORTION OF THE 2023 SERIES D BONDS MAY BE SO REDEEMED OR PURCHASED PRIOR TO THEIR STATED MATURITY DATES OR SCHEDULED MANDATORY SINKING FUND REDEMPTION DATES.

***Selection of Bonds to be Redeemed.*** Subject to the following provisions, in the event of any partial redemption of the 2023 Series D Bonds, the Authority may direct the stated maturity or maturities and interest rate or interest rates, as the case may be, and the amount or amounts thereof to be so redeemed. In the event of redemption of less than all of the 2023 Series D Bonds of like series and stated maturity, the Trustee will select by lot, using such method of selection as it deems proper in its sole discretion, the 2023 Series D Bonds or portions thereof to be redeemed.

For so long as the 2023 Series D Bonds are registered in the name of DTC or its nominee, the Trustee will select for redemption only 2023 Series D Bonds or portions thereof registered in the name of DTC or its nominee, in accordance with the preceding paragraph, and DTC will select for redemption the Beneficial Owners' interests in the 2023 Series D Bonds. None of the Authority, the Trustee or the Paying Agent will have any responsibility for selecting for redemption any Beneficial Owner's interest in any 2023 Series D Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

***Notice of Redemption.*** When the Trustee is required, or receives notice from the Authority of its election or direction, to redeem any 2023 Series D Bonds, the Trustee will give notice, in the name of the Authority, of the redemption of such 2023 Series D Bonds. Such notice will specify, among other things, the series and maturities of the 2023 Series D Bonds to be redeemed, the redemption date, and the place or places where amounts due upon such redemption will be payable. The Trustee will mail a copy of such notice via first class mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date to the registered owners of any 2023 Series D Bonds or portions thereof which are to be redeemed, at their last addresses appearing upon the registration books of the Authority kept by the Trustee.

For so long as the 2023 Series D Bonds are registered in the name of DTC or its nominee, the Trustee will mail notices of redemption of 2023 Series D Bonds only to DTC or its nominee, in accordance with the preceding paragraph. None of the Authority, the Trustee or the Paying Agent will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any notice of redemption. See "BOOK-ENTRY-ONLY SYSTEM" herein.

In addition, the Trustee will send copies of the notice of any redemption to the MSRB's EMMA to assure that adequate notice of such redemption is disseminated to Beneficial Owners of the 2023 Series D Bonds on the date that the notice of redemption is sent to the owners of the 2023 Series D Bonds. Approximately 60 days after each redemption date, the Trustee will send an additional copy of the notice of redemption by mail to any registered owner whose 2023 Series D Bonds, other than 2023 Series D Bonds held by DTC, called for redemption have not been presented for payment. The Trustee will also send copies of the redemption notice to DTC for receipt at least two days prior to the date notice is given to registered owners in accordance with the preceding paragraphs. However, failure to give any additional notice, to receive any requested return receipts or to give subsequent notice of nonpresentation to a holder will not affect the validity of the redemption of any 2023 Series D Bonds or impose any liability on the Trustee with respect thereto.

***Payment of Redeemed Bonds.*** Notice of redemption having been given by mail as described above, except as provided under "Conditional Notice of Redemption" below, the 2023 Series D Bonds or portions thereof called for redemption will become due and payable on the redemption date designated in the notice of redemption at the

applicable redemption price, plus accrued and unpaid interest thereon to the redemption date. Such 2023 Series D Bonds or portions thereof will be paid upon presentation and surrender thereof at the office specified in such notice. If less than the entire principal amount of a 2023 Series D Bond is called for redemption, the owner thereof will receive upon the surrender of such 2023 Series D Bond, without charge, a registered 2023 Series D Bond or 2023 Series D Bonds of like series and maturity in any authorized denomination representing the unredeemed balance thereof.

For so long as the 2023 Series D Bonds are registered in the name of DTC or its nominee, redemption payments on the 2023 Series D Bonds will be paid by the Paying Agent only to DTC or its nominee, in accordance with the preceding paragraph. None of the Authority, the Paying Agent or the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any redemption payment on any 2023 Series D Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

***Conditional Notice of Redemption.*** If, on the redemption date, moneys for the redemption of the 2023 Series D Bonds or portions thereof to be redeemed, together with accrued and unpaid interest thereon to the redemption date, are held by the Paying Agent and are available therefor on the redemption date and if notice of redemption has been mailed to the owner as described above, then, from and after the redemption date, interest on the 2023 Series D Bonds or portions thereof so called for redemption will cease to accrue and be payable.

A notice of redemption of 2023 Series D Bonds (other than notice of a mandatory sinking fund redemption or a mandatory redemption described under "Redemption from Prepayments, Repayments and Excess Revenue—Mandatory Redemption of 2023 Series D-1 and D-2 Bonds from Tax Restricted Prepayments and Repayments" or "—Mandatory Redemption of 2023D-3 PAC Bonds") will not be effective if the moneys are not so available on the redemption dates, and such event will not constitute an event of default under the Indenture and such 2023 Series D Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

### **Special Redemption from Unexpended Proceeds**

The 2023 Series D Bonds are subject to special redemption in whole or in part, at any time on or before November 1, 2024 (unless extended to the extent permitted under the Indenture, but in no event for the 2023 Series D-1 and D-2 Bonds later than May 16, 2027) from proceeds of the 2023 Series D Bonds remaining unexpended on deposit in the 2023 Series D Subaccount and not committed to the purchase of 2023 Series D Mortgage Loans by directing the Trustee in writing to provide notice of redemption as required under the Indenture. The Authority shall instruct the Trustee to use 2023 Series D-1 and D-2 Bond proceeds to redeem the 2023 Series D-1 and D-2 Bonds under this provision and shall instruct the Trustee to use 2023 Series D-3 Bond proceeds to redeem the 2023 Series D-3 Bonds under this provision. Such redemptions will be made at a Redemption Price equal to 100% of the principal amount thereof (or 102.591% (the original issue price) for the redemption of any 2023D-3 PAC Bonds (as hereinafter defined) sold with original issue premium) plus accrued interest to the applicable redemption date.

Moneys deposited in the Redemption Account as described in this paragraph will be applied by the Trustee as directed in writing by the Authority. See "RISK FACTORS—Non-Origination," "FEDERAL TAX LAW REQUIREMENTS—Redemption" and "APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Loan Account" herein. If unexpended proceeds are used to redeem 2023 Series D-1 and D-2 Bonds under this paragraph, certain adjustments to the 2023D-3 PAC Bonds Applicable Outstanding Amounts will be made as described below.

### **Redemption from Prepayments, Repayments and Excess Revenues**

***Directed Principal Receipts.*** As used in this Official Statement the term "*Directed Principal Receipts*" means all of the Prepayments and repayments of principal on the 2023 Series D Mortgage Loans net of any such amounts used to pay Principal Installments on the 2023 Series D Bonds at maturity or upon mandatory redemption.

***Mandatory Redemption of 2023D-3 PAC Bonds.*** The 2023D-3 PAC Bonds due July 1, 2054 (the "*2023D-3 PAC Bonds*") are subject to mandatory redemption from Directed Principal Receipts (less Tax Restricted Prepayments and Repayments as required) as directed in writing by the Authority on one or more days during each semiannual period ending January 1 or July 1, commencing with the period ending July 1, 2024, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the redemption date,

provided that after giving effect to such redemption, the aggregate principal amount of 2023D-3 PAC Bonds outstanding on such redemption date is not less than the related Applicable Outstanding Amount of such 2023D-3 PAC Bonds as set forth below (the “*2023D-3 PAC Bonds Applicable Outstanding Amount*”). If the Directed Principal Receipts are insufficient in any semiannual period to call the 2023D-3 PAC Bonds in the amount described above, the 2023D-3 PAC Bonds would continue to be callable in future semiannual periods from Directed Principal Receipts received in such future semiannual period as described above. If there are excess Directed Principal Receipts with respect to any semiannual periods, such excess may be applied for any purpose authorized under the Indenture, including without limitation, to the redemption of other 2023 Series D Bonds as described under the heading “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues” or “—Special Optional Redemption” herein. Such amounts may also be used as described in “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues—*Cross Calling and Recycling*.”

**2023D-3 PAC Bonds  
Applicable Outstanding Amounts**

<u>Semiannual Period Ending</u>	<u>Amount</u>
11/16/2023	\$15,000,000
7/1/2024	14,980,000
1/1/2025	14,390,000
7/1/2025	14,090,000
1/1/2026	12,970,000
7/1/2026	12,170,000
1/1/2027	10,630,000
7/1/2027	9,720,000
1/1/2028	8,570,000
7/1/2028	7,470,000
1/1/2029	6,415,000
7/1/2029	5,410,000
1/1/2030	4,460,000
7/1/2030	3,575,000
1/1/2031	2,735,000
7/1/2031	1,945,000
1/1/2032	1,215,000
7/1/2032	530,000
1/1/2033 and thereafter	-

If any 2023 Series D Bonds are redeemed from unexpended proceeds as described above, the 2023D-3 PAC Bonds Applicable Outstanding Amounts for each semiannual period will be reduced on a proportionate basis based upon the proportion of 2023D-3 PAC Bonds so redeemed.

The 2023D-3 PAC Bonds are also subject to redemption from any sources other than Directed Principal Receipts only if such redemption will not reduce the outstanding principal amount of 2023D-3 PAC Bonds to an amount less than the 2023D-3 PAC Bonds Applicable Outstanding Amounts shown in the table above, as adjusted (if applicable) per the immediately preceding paragraph.

If the 2023D-3 PAC Bonds are redeemed on a date other than an Interest Payment Date, the Applicable Outstanding Amount as of such redemption date will be determined by straight-line interpolation between the Applicable Outstanding Amounts for the Interest Payment Dates immediately preceding and succeeding such redemption date.

***Estimated Weighted Average Lives of the 2023D-3 PAC Bonds.*** The weighted average life of a security refers to the average of the length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The weighted average

lives of the 2023D-3 PAC Bonds will be influenced by, among other factors, the timing and extent of origination of 2023 Series D Mortgage Loans and the rate at which principal payments, including scheduled payments and principal prepayments, are made on the 2023 Series D Mortgage Loans. See “RISK FACTORS—Non-Origination” and “—Prepayments” herein.

Payments of mortgage loans are commonly estimated in accordance with a prepayment standard or model. The model used in the following description is the Standard Prepayment Model of the Securities Industry and Financial Markets Association (the “*Standard SIFMA Model*”). The Standard SIFMA Model is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. Prepayment speeds are estimated as percentages of the Standard SIFMA Model and are referred to as the Prepayment Speed Assumption (“*PSA*”). At 100% PSA, the Standard SIFMA Model assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the life of the mortgage loan and then assumes a constant prepayment rate of 6% per annum of the unpaid principal balance for the remaining life of the mortgage loans.

The following table assumes, among other assumptions, that (i) the proceeds of the 2023 Series D Bonds deposited in the 2023 Series D Loan Subaccount not used to provide down payment assistance loans will be used to acquire the 2023 Series D Mortgage Loans; (ii) approximately \$126,952,000 of 2023 Series D Mortgage Loans are expected to be originated during the period from December 1, 2023 to March 1, 2024, and will, on average, be originated on January 15, 2024; (iii) all 2023 Series D Mortgage Loans will be 30-year mortgage loans and bear a weighted average interest rate of 7.50%; (iv) the 2023 Series D Mortgage Loans are prepaid at 50% PSA based on the Standard SIFMA Model; (v) all scheduled principal and interest payments and Prepayments of the 2023 Series D Mortgage Loans are timely received and the Authority experiences no acceleration of principal as a result of foreclosure on 2023 Series D Mortgage Loans; (vi) none of the 2023 Series D Bonds will be redeemed as described under “Cross Calling”; (vii) Directed Principal Receipts will be used to redeem the 2023D-3 PAC Bonds once at the end of each semiannual period as described under the heading “REDEMPTION OF 2023 SERIES D Bonds—Redemption from Prepayments, Repayments and Excess Revenues—*Mandatory Redemption of 2023D-3 PAC Bonds*”; (viii) remaining Prepayments and regularly scheduled repayments of principal on the 2023 Series D Mortgage Loans will be used to redeem the 2023 Series D Bonds, other than the 2023D-3 PAC Bonds, on a pro-rata basis until all such 2023 Series D Bonds are no longer outstanding; and (ix) moneys invested in the 2023 Series D Subaccount of the Revenue Account and the Loan Account will be invested as described under the Indenture. As of the date hereof, the Authority believes the foregoing assumptions are reasonable. However, the Authority has significant discretion with regard to the operation of the Programs and the particular 2023 Series D Bonds to be redeemed in certain circumstances, and accordingly there can be no assurance that the foregoing assumptions will reflect actual experience.

Based on the foregoing and other assumptions, some or all of which are unlikely to reflect actual experience as described above, the table below indicates the estimated weighted average life of the 2023D-3 PAC Bonds. In the case of scenarios labeled “Optional Call Exercised,” it is assumed that the Authority will exercise its right to optionally redeem all then eligible 2023 Series D Bonds on July 1, 2032. In the case of scenarios labeled “Optional Call Not Exercised,” it is assumed that the Authority will not exercise its right to optionally redeem the 2023 Series D Bonds. See “RISK FACTORS—Forward Looking Statements” herein.

The Standard SIFMA Model is one of several recognized models used for measuring prepayments of mortgage loans and does not purport to be a prediction of the anticipated rate of prepayments of the 2023 Series D Mortgage Loans. There is no assurance that the Prepayments of the 2023 Series D Mortgage Loans will conform to any of the assumed prepayment rates set forth in the table below. See “RISK FACTORS—Prepayments” herein for a description of certain factors that may affect the rate of prepayment of the 2023 Series D Mortgage Loans. The Authority makes no representation as to the percentage of the principal balance of the 2023 Series D Mortgage Loans that will be paid as of any date, as to the overall rate of prepayment, or as to the estimates or methodology set forth under this subheading.

**Estimated Weighted Average Lives (in Years)<sup>1</sup>  
of 2023D-3 PAC Bonds**

<b>Prepayment Assumption</b>	<b>Optional Call Not Exercised*</b>	<b>Optional Call at July 1, 2032 Exercised</b>
0% PSA	22.0	7.8
25% PSA	6.0	5.7
50% PSA	5.0	5.0
75% PSA	5.0	5.0
100% PSA	5.0	5.0
150% PSA	5.0	5.0
200% PSA	5.0	5.0
300% PSA	5.0	5.0
400% PSA	5.0	5.0
500% PSA	5.0	5.0

<sup>1</sup> The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bond to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

The projected weighted average lives reflect a projected average of the periods of time for which the 2023D-3 PAC Bonds are outstanding. They do not reflect the period of time which any one 2023D-3 PAC Bond will remain outstanding. At each prepayment speed, some 2023D-3 PAC Bonds will remain outstanding for periods of time shorter than the projected weighted average life, while some will remain outstanding for longer periods of time. Investors owning less than all of the 2023D-3 PAC Bonds may experience redemption at a rate that varies from the projected weighted average lives shown in the table. See the Table set forth in “APPENDIX G: PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND ESTIMATED WEIGHTED AVERAGE LIVES OF 2023D-3 PAC BONDS” attached hereto.

***Cross Calling and Recycling.*** The Authority may, to the extent permitted by the Indenture, use Prepayments and regularly scheduled repayments of principal on the 2023 Series D Mortgage Loans and Excess Revenues attributable to 2023 Series D Bonds to redeem other Bonds or recycle such moneys to purchase other 2023 Series D Mortgage Loans. The Authority’s decision to recycle such Prepayments, repayments or Excess Revenues or redeem Bonds will depend on, among other things, the level of interest rates applicable to the Authority’s Bonds and the Mortgage Loans that could be financed. The Authority may, to the extent permitted by the Indenture, use Prepayments and regularly scheduled repayments of principal and Excess Revenues from other series of Bonds, if needed, in an amount necessary to meet the redemption amounts for the 2023D-3 PAC Bonds listed in the 2023D-3 PAC Bonds Applicable Outstanding Amounts table above, and to redeem other 2023 Series D Bonds. Although the Authority may redeem Bonds in any order it prefers, a listing of Bonds under the Indenture and sorted by coupon is in the table set forth in “APPENDIX H: DEBT OUTSTANDING DETAIL AS OF JULY 1, 2023” attached hereto.

***Mandatory Redemption of 2023 Series D-1 and D-2 Bonds from Tax Restricted Prepayments and Repayments.*** The 2023 Series D-1 and D-2 Bonds are subject to mandatory redemption from Tax Restricted Prepayments and Repayments, no later than the close of the first semiannual period beginning after the date of receipt at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon to the redemption date.

“Tax Restricted Prepayments and Repayments” with respect to the 2023 Series D-1 and D-2 Bonds consist of Prepayments and regularly scheduled repayments of principal on the 2023 Series D Mortgage Loans and down payment loans funded by the proceeds of the 2023 Series D-1 and D-2 Bonds on the dates as shown in the table below:

**Percentage of Amounts of  
Prepayments and Regularly  
Scheduled Repayments of  
Principal on 2023D Mortgage  
Loans Funded by the Proceeds of  
the 2023 Series D-1 and D-2 Bonds  
Required to be used for the  
Mandatory Redemption of the  
2023 Series D-1 and D-2 Bonds**

<b><u>From Date</u></b>	<b><u>To Date</u></b>	
11/16/2023	6/29/2026	7.99%
6/30/2026	1/24/2027	8.08%
1/25/2027	7/25/2027	8.15%
7/26/2027	8/26/2028	9.19%
8/27/2028	2/13/2029	11.36%
2/14/2029	9/24/2029	13.18%
9/25/2029	1/29/2030	16.22%
1/30/2030	8/27/2030	19.87%
8/28/2030	1/27/2031	21.53%
1/28/2031	6/27/2031	24.52%
6/28/2031	11/22/2031	27.44%
11/23/2031	2/22/2032	28.49%
2/23/2032	6/15/2032	31.42%
6/16/2032	9/26/2032	34.56%
9/27/2032	1/25/2033	35.40%
1/26/2033	11/15/2033	35.63%
11/16/2033	Final Maturity of Bonds	100.00%

On each Interest Payment Date, an amount equal to the Tax Restricted Prepayments and Repayments shall be used to make Principal Installments on the 2023 Series D-1 and D-2 Bonds or to redeem 2023 Series D-1 and D-2 Bonds pursuant to redemption as described under “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Operation of Sinking Fund Installments” herein shall be applied to the 2023 Series D-1 and D-2 Bonds until such 2023 Series D-1 and D-2 Bonds are no longer outstanding.

The Authority will interpret the requirements described above so as to comply with the corresponding requirements of Section 143 of the Code and will certify to the Trustee the amounts of Tax Restricted Prepayments and Repayments received and the amount thereof applied to the payment of principal or redemption of the 2023 Series D-1 and D-2 Bonds. However, the Authority may avoid any such mandatory redemption from Prepayments and regularly scheduled repayments if the Authority delivers to the Trustee a Bond Counsel’s Opinion to the effect that avoidance of such redemption will not adversely affect the excludability of interest on the 2023 Series D-1 and D-2 Bonds from gross income for federal tax purposes. See “FEDERAL TAX LAW REQUIREMENTS—Redemption” herein.

### **Special Optional Redemption**

The 2023 Series D Bonds may be redeemed at any time as a whole or in part on any date prior to the respective maturities, as permitted by the Indenture, from amounts on deposit in the Revenue Account in an amount up to (i) Prepayments and repayments of principal on the 2023 Series D Mortgage Loans not applied to a previous payment at maturity or redemption of the 2023 Series D Bonds at maturity or pursuant to the “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Operation of Sinking Fund Installments,” “—Redemption from Prepayments,

Repayments and Excess Revenues—*Mandatory Redemption of 2023 Series D-1 and D-2 Bonds from Tax Restricted Prepayments and Repayments*,” and “—*Mandatory Redemption of 2023D-3 PAC Bonds*” herein, (ii) Excess Revenues attributable to the 2023 Series D Bonds, (iii) Prepayments and repayments of principal and Excess Revenues attributable to other Bonds under the Indenture, to the extent permitted by the Indenture, whether or not such other Bonds are still outstanding, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the redemption date. The Authority may elect to redeem the 2023 Series D Bonds from such Prepayments, repayments and Excess Revenues by directing the Trustee to transfer amounts representing such Prepayments, repayments and Excess Revenues to the Redemption Account and providing notice of redemption as required under the Indenture. Such Prepayments, repayments and Excess Revenues deposited in the Redemption Account may be applied by the Trustee upon the direction of the Authority to the redemption of the 2023D-3 PAC Bonds but only to the extent the outstanding principal amount of the 2023D-3 PAC Bonds following such redemption is not less than the 2023D-3 PAC Bonds Applicable Outstanding Amount set forth in the table above unless the 2023D-3 PAC Bonds are the only 2023 Series D Bonds outstanding. See “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues—*Cross Calling and Recycling*” herein.

### **Optional Redemption of 2023 Series D Bonds**

The 2023 Series D Bonds except for the 2023D-3 PAC Bonds are subject to redemption prior to maturity at the option of the Authority, at any time on or after July 1, 2032, either in whole or in part at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon to the redemption date.

The 2023D-3 PAC Bonds are subject to redemption prior to maturity at the option of the Authority, at any time on or after July 1, 2032, either in whole or in part at a redemption price set forth in the table below of the principal amount thereof, together with accrued and unpaid interest thereon to the redemption date.

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2032	100.303%
January 1, 2033	100.000%

If the 2023D-3 PAC Bonds are redeemed on a date other than a redemption date listed above, the redemption price, as of such redemption date, will be determined by straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

The Indenture requires that the proceeds of any voluntary sale of the Mortgage Loans for the purpose of redeeming any 2023 Series D Bonds may only be used with respect to an optional redemption of the 2023 Series D Bonds as described under this heading.

### **Redemption from Operation of Sinking Fund Installments**

The 2023 Series D-1 Bonds due July 1, 2038 (the “*2038 D-1 Term Bonds*”), the 2023 Series D-1 Bonds due July 1, 2043 (the “*2043 D-1 Term Bonds*”), the 2023 Series D-1 Bonds due July 1, 2048 (the “*2048 D-1 Term Bonds*”), and the 2023 Series D-1 Bonds due July 1, 2053 (the “*2053 D-1 Term Bonds*”) (collectively, with the 2038 D-1 Term Bonds, the 2043 D-1 Term Bonds, the 2048 D-1 Term Bonds, and the 2053 D-1 Term Bonds, the “*2023 Series D-1 Term Bonds*”), are subject to mandatory redemption in part on January 1 and July 1 of the respective years shown below at a redemption price equal to 100% of the principal amount of such 2023 Series D-1 Term Bonds being redeemed, plus accrued and unpaid interest thereon to the redemption date (without premium), from mandatory sinking fund payments which are required to be made in amounts sufficient to redeem (or pay at maturity in the case of the final mandatory sinking fund payment) such 2023 Series D-1 Term Bonds in the principal amounts (or in such lesser principal amount as may result from prior redemption or purchase by the Authority), as follows:



**\$4,580,000**  
**2038 D-1 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2036	\$695,000
7/1/2036	720,000
1/1/2037	750,000
7/1/2037	775,000
1/1/2038	805,000
7/1/2038**	835,000

\*\*Final Maturity

**\$10,325,000**  
**2043 D-1 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2039	\$870,000
7/1/2039	900,000
1/1/2040	935,000
7/1/2040	970,000
1/1/2041	1,005,000
7/1/2041	1,045,000
1/1/2042	1,085,000
7/1/2042	1,130,000
1/1/2043	1,170,000
7/1/2043**	1,215,000

\*\*Final Maturity

**\$15,000,000**  
**2048 D-1 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2044	\$1,265,000
7/1/2044	1,305,000
1/1/2045	1,360,000
7/1/2045	1,410,000
1/1/2046	1,460,000
7/1/2046	1,520,000
1/1/2047	1,575,000
7/1/2047	1,640,000
1/1/2048	1,700,000
7/1/2048**	1,765,000

\*\*Final Maturity

**\$32,105,000**  
**2053 D-1 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2049	\$1,830,000
7/1/2049	1,905,000
1/1/2050	1,975,000
7/1/2050	2,050,000
1/1/2051	2,130,000
7/1/2051	3,525,000
1/1/2052	4,415,000
7/1/2052	4,580,000
1/1/2053	4,760,000
7/1/2053**	4,935,000

\*\*Final Maturity

The 2023 Series D-3 Bonds due July 1, 2038 (the “2038 D-3 Term Bonds”), the 2023 Series D-3 Bonds due July 1, 2043 (the “2043 D-3 Term Bonds”), the 2023 Series D-3 Bonds due July 1, 2048 (the “2048 D-3 Term Bonds”), the 2023 Series D-3 Bonds due July 1, 2053 (the “2053 D-3 Term Bonds”) and the 2023D-3 PAC Bonds (collectively, with the 2038 D-3 Term Bonds, the 2043 D-3 Term Bonds, the 2048 D-3 Term Bonds and the 2053 D-3 Term Bonds, the “2023 Series D-3 Term Bonds”, and together with the 2023 Series D-1 Term Bonds, the “2023 Series D Term Bonds”), are subject to mandatory redemption in part on January 1 and July 1 of the respective years shown below at a redemption price equal to 100% of the principal amount of such 2023 Series D-3 Term Bonds being redeemed, plus accrued and unpaid interest thereon to the redemption date (without premium), from mandatory sinking fund payments which are required to be made in amounts sufficient to redeem (or pay at maturity in the case of the final mandatory sinking fund payment) such 2023 Series D-3 Term Bonds in the principal amounts (or in such lesser principal amount as may result from prior redemption or purchase by the Authority), as follows:

**\$8,070,000**  
**2038 D-3 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2034	\$675,000
7/1/2034	705,000
1/1/2035	730,000
7/1/2035	755,000
1/1/2036	790,000
7/1/2036	815,000
1/1/2037	850,000
7/1/2037	880,000
1/1/2038	915,000
7/1/2038**	955,000

\*\*Final Maturity

**\$5,405,000**  
**2043 D-3 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2039	\$455,000
7/1/2039	470,000
1/1/2040	490,000
7/1/2040	510,000
1/1/2041	525,000
7/1/2041	550,000
1/1/2042	570,000
7/1/2042	585,000
1/1/2043	615,000
7/1/2043**	635,000

\*\*Final Maturity

**\$14,330,000**  
**2048 D-3 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2044	\$1,200,000
7/1/2044	1,250,000
1/1/2045	1,300,000
7/1/2045	1,350,000
1/1/2046	1,395,000
7/1/2046	1,455,000
1/1/2047	1,510,000
7/1/2047	1,560,000
1/1/2048	1,625,000
7/1/2048**	1,685,000

\*\*Final Maturity

**\$12,060,000**  
**2053 D-3 Term Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2049	\$1,070,000
7/1/2049	1,075,000
1/1/2050	1,135,000
7/1/2050	1,165,000
1/1/2051	1,170,000
7/1/2051	1,230,000
1/1/2052	1,255,000
7/1/2052	1,285,000
1/1/2053	1,310,000
7/1/2053**	1,365,000

\*\*Final Maturity

**\$15,000,000**  
**2023D-3 PAC Bonds**

<u>Date</u>	<u>Amount</u>
1/1/2049	\$885,000
7/1/2049	910,000
1/1/2050	940,000
7/1/2050	960,000
1/1/2051	985,000
7/1/2051	1,015,000
1/1/2052	1,045,000
7/1/2052	1,065,000
1/1/2053	1,100,000
7/1/2053	1,130,000
1/1/2054	2,450,000
7/1/2054**	2,515,000

\*\*Final Maturity

Prior to the 45<sup>th</sup> day preceding the date of each sinking fund payment, the Trustee may, and if so directed by the Authority must, apply any amount accumulated in the Revenue Account under the Indenture, up to the unsatisfied balance of such sinking fund payment together with amounts accumulated in the Revenue Account for interest on the 2023 Series D Term Bonds for which such sinking fund payment was established, as follows: (1) to the purchase of 2023 Series D Term Bonds of the Series and maturity for which such sinking fund payment was established, at prices (including any brokerage and other charges) not exceeding the redemption price for such 2023 Series D Term Bonds when such 2023 Series D Term Bonds are redeemable by application of such sinking fund payment, plus accrued and unpaid interest thereon to the date of purchase, or (2) to the redemption of such 2023 Series D Term Bonds if then redeemable by their terms at the redemption price referred to in clause (1) above, plus accrued and unpaid interest thereon to the redemption date.

Upon the purchase or redemption of any 2023 Series D Term Bonds pursuant to the preceding sentence or from amounts in the Redemption Account under the Indenture, an amount equal to the principal amount of the 2023 Series D Term Bonds so purchased or redeemed will be credited toward each such sinking fund payment thereafter to become due with respect to the 2023 Series D Term Bonds of such maturity on a pro rata basis, unless the Authority directs otherwise.

As soon as practicable after the 45<sup>th</sup> day preceding the due date of any such sinking fund payment, the Trustee will call for redemption on such due date 2023 Series D Term Bonds for which such sinking fund payment was established in such amount as is necessary to complete the retirement of a principal amount of 2023 Series D Term Bonds equal to the unsatisfied balance of such sinking fund payment.

The Trustee will so call such 2023 Series D Term Bonds for redemption whether or not it then has moneys in the Revenue Account under the Indenture sufficient to pay the applicable redemption price thereof on the redemption date. The amount required for the redemption of the 2023 Series D Term Bonds so called for redemption will be applied from the Revenue Account to such redemption on such redemption date.

### BOOK-ENTRY-ONLY SYSTEM

#### General

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2023 Series D Bonds. The 2023 Series D Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2023 Series D-1 Bond Certificate, one fully-registered 2023 Series D-2 Bond certificate, and one fully-registered 2023 Series D-3 Bond certificate will be issued for each of the respective series of Bonds and will be deposited with DTC.

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

Purchases of 2023 Series D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Series D Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Series D Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Series D Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023 Series D Bonds, except in the event that the use of the book-entry system for the 2023 Series D Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Series D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Series D Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Series D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Series D Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023 Series D Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2023 Series D Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2023 Series D Bond documents. For example, Beneficial Owners of 2023 Series D Bonds may wish to ascertain that the nominee holding the 2023 Series D Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 Series D Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023 Series D Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus

Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2023 Series D Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2023 Series D Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 2023 Series D Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2023 Series D Bonds at any time by giving reasonable notice to the Authority or the registrar. Under such circumstances, if a successor depository is not obtained, 2023 Series D Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2023 Series D Bond certificates will be printed and delivered to DTC.

The information in this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

*Notwithstanding any provision of the Indenture, so long as any 2023 Series D Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and interest and all notices with respect to the 2023 Series D Bonds shall be made or given in accordance with DTC's rules and procedures.*

### **Revision of Book-Entry-Only System**

In the event that either (i) the Authority receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the 2023 Series D Bonds or (ii) the Authority elects to discontinue its use of DTC as a clearing agency for the 2023 Series D Bonds, then the Authority and the Trustee will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 2023 Series D Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the 2023 Series D Bonds and to transfer the ownership of each of the 2023 Series D Bonds to such person or persons, including any other clearing agency, as the holder of such 2023 Series D Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the 2023 Series D Bonds, will be paid by the Authority.

## **SECURITY FOR BONDS**

THE STATE HAS NO LIABILITY WITH RESPECT TO THE BONDS AND THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR GENERAL, MORAL OR OTHER OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION OR TAXING AUTHORITY THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR TAXING AUTHORITY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

### **Pledge of Indenture**

The Bonds are special obligations of the Authority, payable solely from and secured exclusively by certain revenues and assets pledged to the payment thereof under the Indenture. Payment of the principal of and premium, if

any, and interest on the Bonds is secured by the Authority's pledge and assignment of and grant of a security interest in:

(i) all payments, repayments, prepayments, proceeds, rents, charges and other cash income received by the Authority from or on account of any Mortgage Loan (including scheduled, delinquent and advance payments of, and any insurance and guaranty proceeds with respect to, principal and interest on any Mortgage Loan), all income earned or gain realized from the investment of amounts in any Account and regular payments received by the Authority under any Swap, but **excluding** (A) commitment fees not specifically pledged to the payment of the Bonds and (B) any amount retained by a servicer (other than the Authority) of any Mortgage Loan as compensation for services rendered in connection with such Mortgage Loan (all such payments, repayments, prepayments, proceeds, rents, charges and other cash income, subject to such exclusions, collectively, the "Revenues");

(ii) the Mortgage Loans, including all extensions and renewals, if any, of the term thereof, together with all right, title and interest of the Authority as mortgagee therein, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any of the income, revenues, insurance and guaranty proceeds, rents, issues and profits and other sums of money payable or receivable thereunder, whether payable as scheduled therein or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, to make claim for, collect, receive and dispose of any collateral therefor and to do any and all things which the Authority is or may become entitled to do under the Mortgage Loans (subject to the provisions of the Indenture permitting the Authority to receive, keep or dispose of, claim, bring suit upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Mortgage Loans and the proceeds and collections therefrom so long as no Event of Default under the Indenture has occurred and is continuing);

(iii) all Accounts, including the investments thereof, if any, and any moneys therein (other than any fund created to hold remarketing proceeds or funds drawn on a liquidity facility solely for purchase of tendered Bonds); and

(iv) all moneys and securities from time to time held by any Fiduciary (as defined herein) under the terms of the Indenture and any and all other real or personal property of every name and nature from time to time conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by the Authority or by anyone on its behalf, or with its written consent, to the Trustee.

The Authority's pledge and assignment of and grant of a security interest in the revenues and assets described above, as security for the payment of the Bonds, are subject to the provisions of the Indenture permitting the application of amounts held under the Indenture to certain other purposes and the exercise of certain rights in connection with such revenues and assets. See "APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE" attached hereto. The perfection of the pledge of Revenues consisting of cash proceeds may require the physical possession of such cash proceeds by the Trustee.

#### **Outstanding Bonds and Mortgage Loans under Indenture**

**Bonds.** As of July 1, 2023, the Authority had outstanding \$1,030,510,000 aggregate principal amount of Bonds under the Indenture. The following table sets forth certain information, as of July 1, 2023, with respect to the Bonds of each series issued under the Indenture.

*[Remainder of Page Intentionally Left Blank]*

**Information as of July 1, 2023 Concerning Outstanding Indiana Housing and Community Development Authority  
Single Family Mortgage Revenue Bonds under the 2016 Amended and Restated Indenture of Trust as of June 1, 2016**

Outstanding Principal Amounts by Coupon																	
Bond Issue	Dated Date	Amount Issued	Amount Outstanding	Variable	Fixed												
				Variable	Call Priority	Non-Callable											
				Rate Bonds	PAC Bonds	Bonds*	<1.50%	> or = 1.50% & < 2.00%	> or = 2.00% & < 2.50%	> or = 2.50% & < 3.00%	> or = 3.00% & < 3.50%	> or = 3.50% & < 4.00%	> or = 4.00% & < 4.50%	> or = 4.50% & < 5.00%	> or = 5.00%		
Tax Exempt																	
2016 Series A-1	6/30/2016	\$30,000,000	990,000	-	-	-	-	-	-	990,000	-	-	-	-	-		
2016 Series A-2	6/30/2016	\$49,555,000	2,845,000	-	2,845,000	-	-	-	-	-	-	-	-	-	-		
2017 Series A-2	1/25/2017	\$14,070,000	1,355,000	-	1,355,000	-	-	-	-	-	-	-	-	-	-		
2017 Series B-1	7/26/2017	\$22,000,000	7,870,000	-	-	-	-	-	4,630,000	3,240,000	-	-	-	-	-		
2017 Series B-2	7/26/2017	\$15,740,000	2,965,000	-	2,965,000	-	-	-	-	-	-	-	-	-	-		
2017 Series B-3	7/26/2017	\$23,000,000	23,000,000	23,000,000	-	-	-	-	-	-	-	-	-	-	-		
2017 Series C-1	12/21/2017	\$14,295,000	5,190,000	-	-	-	-	-	1,415,000	3,775,000	-	-	-	-	-		
2017 Series C-2	12/21/2017	\$19,995,000	1,680,000	-	925,000	-	-	-	755,000	-	-	-	-	-	-		
2017 Series C-3	12/21/2017	\$20,705,000	20,705,000	20,705,000	-	-	-	-	-	-	-	-	-	-	-		
2018 Series A	8/27/2018	\$68,720,000	9,440,000	-	9,440,000	-	-	-	-	-	-	-	-	-	-		
2019 Series A	2/14/2019	\$48,780,000	8,490,000	-	8,490,000	-	-	-	-	-	-	-	-	-	-		
2019 Series B	9/25/2019	\$53,475,000	20,830,000	-	10,905,000	-	1,170,000	-	6,630,000	2,125,000	-	-	-	-	-		
2020 Series A	1/30/2020	\$61,290,000	24,055,000	-	13,750,000	7,525,000	-	-	2,780,000	-	-	-	-	-	-		
2020 Series B-1	8/28/2020	\$100,500,000	66,855,000	-	19,975,000	8,140,000	9,935,000	28,090,000	715,000	-	-	-	-	-	-		
2020 Series B-2	8/28/2020	\$12,715,000	4,280,000	-	-	4,280,000	-	-	-	-	-	-	-	-	-		
2021 Series A	1/28/2021	\$55,945,000	50,760,000	-	15,110,000	7,795,000	1,455,000	9,830,000	16,570,000	-	-	-	-	-	-		
2021 Series B	6/28/2021	\$99,205,000	89,865,000	-	28,595,000	12,990,000	2,885,000	23,305,000	22,090,000	-	-	-	-	-	-		
2021 Series C-1	11/23/2021	\$69,290,000	67,700,000	-	25,420,000	6,980,000	-	950,000	29,215,000	5,135,000	-	-	-	-	-		
2021 Series C-2	11/23/2021	\$6,710,000	4,700,000	-	-	-	4,700,000	-	-	-	-	-	-	-	-		
2022 Series A	2/23/2022	\$85,570,000	83,160,000	-	29,005,000	12,670,000	-	-	19,175,000	22,310,000	-	-	-	-	-		
2022 Series B	6/16/2022	\$116,855,000	114,925,000	-	41,285,000	13,400,000	-	-	-	-	4,840,000	55,400,000	-	-	-		
2022 Series C-1	9/27/2022	\$149,825,000	149,515,000	-	24,690,000	-	-	-	-	-	-	19,730,000	105,095,000	-	-		
2022 Series C-2	9/27/2022	\$3,780,000	3,000,000	-	-	-	-	-	-	-	3,000,000	-	-	-	-		
2023 Series A-1	1/26/2023	\$72,645,000	72,580,000	-	24,495,000	-	-	-	-	-	2,850,000	6,090,000	39,145,000	-	-		
2023 Series B-1	5/11/2023	\$44,805,000	44,805,000	-	-	-	-	-	90,000	1,545,000	910,000	12,090,000	30,170,000	-	-		
2023 Series B-2	5/11/2023	\$5,020,000	5,020,000	-	-	5,020,000	-	-	-	-	-	-	-	-	-		
Sub-Total		\$1,264,490,000	\$886,580,000	\$43,705,000	\$259,250,000	\$78,800,000	\$20,145,000	\$62,175,000	\$103,220,000	\$38,420,000	\$4,545,000	\$8,600,000	\$93,310,000	\$174,410,000	\$0		
Federally Taxable																	
2022 Series D	9/27/2022	\$20,000,000	20,000,000	-	-	-	-	-	-	-	2,190,000	8,170,000	9,640,000	-	-		
2023 Series A-2	1/26/2023	\$25,000,000	25,000,000	-	-	-	-	-	-	-	-	3,660,000	5,315,000	16,025,000	-		
2023 Series B-3	5/11/2023	\$98,930,000	98,930,000	-	34,175,000	-	-	-	-	-	-	-	5,805,000	58,950,000	-		
Sub-Total		\$143,930,000	\$143,930,000	\$0	\$34,175,000	\$0	\$0	\$0	\$0	\$0	\$2,190,000	\$11,830,000	\$20,760,000	\$74,975,000			
Total		\$1,408,420,000	\$1,030,510,000	\$43,705,000	\$293,425,000	\$78,800,000	\$20,145,000	\$62,175,000	\$103,220,000	\$38,420,000	\$4,545,000	\$10,790,000	\$105,140,000	\$195,170,000	\$74,975,000		

- In some cases a “non-callable bond” may be subject to redemption if no other bonds in a tax plan are outstanding and such redemption is required for tax purposes.



***Mortgage Loans.*** Mortgage Loans currently held under the Indenture are primarily held as Mortgage Certificates (except down payment assistance). As of June 30, 2023, Mortgage Certificates in an aggregate principal amount of \$963,158,623 were held under the Indenture. The following table sets forth certain information with respect to the outstanding Mortgage Loans financed with proceeds of the Bonds of each series issued under the Indenture.

*[Remainder of Page Intentionally Left Blank]*

**Information as of June 30, 2023 Concerning Outstanding Indiana Housing and Community Development Authority  
Mortgage-Backed Securities under the 2016 Amended and Restated Indenture of Trust as of June 1, 2016**

<b>Bond Issue</b>	<b>Outstanding Balance 6/30/2022</b>	<b>Prepayments 7/2022-9/2022</b>	<b>Outstanding Balance 9/30/2022</b>	<b>Prepayments 10/2022-12/2022</b>	<b>Outstanding Balance 12/31/2022</b>	<b>Prepayments 1/2023-3/2023</b>	<b>Outstanding Balance 3/31/2023</b>	<b>Prepayments 4/2023-6/2023</b>	<b>Outstanding Balance 6/30/2023</b>	<b>Average Mortgage Rate</b>	<b>Average Pass Through Rate</b>
Retired	14,971,951	55,781	14,853,967	16,320	1,420,158	1,092	1,407,068	44,578	1,350,551	4.06%	3.56%
2016 Series A	29,992,997	1,378,997	28,315,264	706,628	27,318,712	435,544	26,598,617	817,952	25,499,591	4.56%	4.05%
2017 Series A	16,219,752	1,077,633	15,031,154	537,740	14,387,514	360,589	13,922,881	127,896	13,691,818	4.27%	3.76%
2017 Series B	20,269,161	454,170	19,687,805	484,461	19,077,837	580,949	18,373,531	783,809	17,468,633	4.45%	3.94%
2017 Series C	18,909,057	767,657	18,015,949	359,036	17,535,918	179,486	17,236,124	434,420	16,682,034	4.57%	4.07%
2018 Series A	20,325,766	1,634,094	18,592,870	611,447	17,888,880	243,119	17,554,301	152,090	17,310,705	4.52%	4.02%
2019 Series A	15,208,817	339,417	14,797,802	347,592	14,379,429	276,059	14,033,458	5,894	13,957,974	4.61%	4.11%
2019 Series B	27,773,598	597,802	27,032,762	426,192	26,464,327	146,782	26,176,228	28,224	26,005,693	3.82%	3.32%
2020 Series A	41,405,062	988,814	40,208,623	752,722	39,251,186	736,255	38,312,493	752,533	37,358,945	3.86%	3.36%
2020 Series B	75,230,218	2,031,939	72,680,111	1,251,963	70,920,569	615,291	69,801,835	1,117,565	68,182,250	3.61%	3.11%
2021 Series A	49,693,116	636,930	48,792,679	146,968	48,382,085	12,328	48,104,706	320,984	47,517,198	3.19%	2.69%
2021 Series B	95,674,101	967,930	94,182,247	785,739	92,872,916	657,510	91,691,801	1,197,034	89,971,725	3.45%	2.95%
2021 Series C	74,822,334	169,813	74,291,091	318,506	73,609,336	233,922	73,010,416	486,737	72,156,633	3.54%	3.01%
2022 Series A	88,733,358	20,977	88,326,129	330,781	87,606,070	303,189	86,910,858	1,263,925	85,253,546	4.05%	3.51%
2022 Series B	31,534,905	24,165	109,808,630	384,478	109,068,465	2,606,845	106,105,013	731,094	105,018,391	5.68%	5.13%
2022 Series C	-	-	24,123,088	14,103	138,360,289	969,142	145,774,302	2,956,063	142,413,520	6.56%	5.98%
2022 Series D	-	-	2,801,474	1,638	16,068,122	112,549	16,929,129	343,295	16,538,833	6.56%	5.98%
2023 Series A	-	-	-	-	-	10,215	64,378,753	16,936	95,899,809	7.00%	6.44%
2023 Series B	-	-	-	-	-	-	-	4,051	70,880,775	7.22%	6.65%
<b>Total</b>	<b>620,764,191</b>	<b>11,146,117</b>	<b>711,541,645</b>	<b>7,476,314</b>	<b>814,611,813</b>	<b>8,480,865</b>	<b>876,321,513</b>	<b>11,585,078</b>	<b>963,158,623</b>	<b>5.04%</b>	<b>4.50%</b>

The figures are based on information currently available, and are not guaranteed. Prepayment amounts are amounts in excess of the scheduled repayments of principal amounts. The Authority reserves the right to transfer loans between bond series subject to limitations under the Indenture and applicable federal tax law. Changes in outstanding balances from quarter to quarter may result from repayments and prepayments, new originations and recycling, and transfers between series.

## **Investments**

Amounts held in the various accounts under the Indenture are required to be invested by the Trustee in Investment Securities. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE” attached hereto.

## **RISK FACTORS**

Purchase of the 2023 Series D Bonds involves certain risks and the 2023 Series D Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the 2023 Series D Bonds, the market price of the 2023 Series D Bonds, or the date of redemption of certain of the 2023 Series D Bonds, to an extent that cannot be determined at this time. The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the 2023 Series D Bonds. In addition, the order in which the following information is presented does not intend to reflect the relative importance of such risks.

## **Forward Looking Statements**

This Official Statement contains statements relating to future results that are “forward looking statements.” When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty. Accordingly, such statements are subject to risk that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Inevitably, some assumptions used to develop forward looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material, and those differences could negatively impact the ability of the Authority to pay debt service on the 2023 Series D Bonds and could impact the date of redemption of certain of the 2023 Series D Bonds.

## **Disruption in Mortgage Market and Other Financial Markets**

Attributes of the real estate and mortgage markets have, from time to time, been subject to significant disruptions, including lack of liquidity. Instability in the mortgage market that adversely impacts financial institution participants may result in delays in mortgage loan originations, failure to originate mortgage loans or delays or failure by the Servicer to deliver Mortgage Certificates, any of which could result in redemption of the Bonds. See “REDEMPTION OF 2023 SERIES D BONDS – Special Redemption from Unexpended Proceeds” herein.

Instability in the mortgage markets, increases in delinquencies and defaults and limited access to credit have placed pressures on all participants in the industry, including but not limited to: lenders, servicers, mortgage insurers, GNMA, Fannie Mae and Freddie Mac. These pressures may have an adverse impact on transaction participants and their ability to conduct business. The Authority can offer no guidance as to whether any volatility in the mortgage market and the financial markets generally will arise or continue, and if it does, how these conditions might impact the ability of such participants to perform their obligations under the Programs.

In addition to the market, business and economic factors and risks associated with any investment decision, there are other risks and uncertainties such as risks to the security of technical systems and data, changes in political, demographic and social conditions and changes in legislation, regulations, proceedings and litigation that may directly or indirectly impact the Authority, its programs and its securities. Numerous regulatory projects are currently underway at the federal level and the rulemaking is expected to have an effect on both origination and servicing of mortgage loans. Consumer Financial Protection Bureau (“CFPB”) rulemaking, in response to enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, has affected all consumer mortgage programs and will continue to affect the Authority’s loan origination, servicing and compliance strategies. Changes to or repeal of CFPB regulations will affect the origination and servicing of consumer loans. In addition, federal budget negotiations are ongoing and have a direct impact on how markets may perform, timeliness of payment of federal program obligations and what loan products may be attractive.

## **Risk of Default on Loans**

Under the Programs, it is currently anticipated that the Mortgage Loans will be securitized as Mortgage Certificates guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae, or Freddie Mac. Although the Mortgage Loans are covered with various forms of insurance, guarantees or homeowner equity, there can be no assurance that losses incurred in connection with defaults on the Mortgage Loans will not exceed the levels of protection in place or that the providers of such insurance or guarantees will pay in accordance with their obligations under the applicable insurance policies or guarantees. If losses occur on the underlying Mortgage Loans and if the providers of guarantees under the Mortgage Certificates do not pay in accordance with their obligations, the ability of the Trustee to pay principal and interest on the Bonds may be adversely affected.

## **Revenues, Expenses and Cash Flow**

The ability of the Authority to pay the principal of and interest on the Bonds depends upon the receipt by the Trustee of sufficient Mortgage Loan payments derived from payments on the related Mortgage Certificates, from prepayments of such Mortgage Loans, and upon the investment or reinvestment of moneys held pursuant to the Indenture. The Authority has scheduled and intends to schedule the maturities and sinking fund installments of each series of Bonds under the Indenture such that the Revenues expected to be received and anticipated investment income from amounts held under the Indenture attributable to all Bonds will be sufficient to pay the principal of and interest on all Bonds and the Authority's expenses in carrying out and administering the Program under the Indenture ("*Program Expenses*") attributable to all Bonds. The Authority is not required to, and in the future may not, schedule maturities and sinking fund installments for any particular series of Bonds such that Revenues and anticipated investment income expected to be received and attributable to each series of Bonds will be sufficient to pay the principal of and interest on, and Program Expenses attributable to, such series of Bonds. To the extent that, among other factors and events, one or more of the events set forth below occurs, Revenues may be insufficient for the payment of principal of and interest on the Bonds:

- (a) Mortgage Loans and related Mortgage Certificates purchased by the Trustee are not paid on a timely basis in accordance with their terms (and/or any guarantor or insurer of such a Mortgage Loan, including Mortgage Certificates, fails to make payment on a timely basis pursuant to the terms of such guaranty, insurance policy or mortgage pool insurance policy);
- (b) Prepayments of Mortgage Loans are received more rapidly or less rapidly than projected;
- (c) Investment income on or repayment of moneys in any one or more of the Accounts is less than projected;
- (d) Program Expenses exceed projections; or
- (e) Swap receipts do not match payments on the Bonds or are less than anticipated.

In connection with the issuance of each series of Bonds (including the 2023 Series D Bonds), the Authority will be required to deliver (i) a Statement of Projected Cash Flow, dated as of the date of such delivery, giving effect to the proposed issuance of such Bonds, and (ii) evidence from each Rating Agency then rating the Bonds that such issuance will not adversely affect the existing rating on the Bonds. See "APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Provisions for Issuance of Bonds" herein and "—Statements of Projected Cash Flow" herein and "APPENDIX F: CERTAIN DEFINITIONS" attached hereto.

## **Developments in the Residential Mortgage Market May Adversely Affect Bond Payments**

In the past, the residential mortgage market in the United States experienced a variety of difficulties and changed economic conditions that had the potential to adversely affect the performance and market value of the Bonds. In response to increased delinquencies and losses with respect to residential mortgage loans, the federal government, state governments, consumer advocacy groups and others urged aggressive action to modify mortgage loans to avoid foreclosures and, in response, certain mortgage servicers established foreclosure avoidance programs for borrowers. In addition, over the same period numerous laws, regulations and rules relating to mortgage loans generally, and foreclosure actions particularly, were enacted by federal, state and local governmental authorities and

additional laws, regulations and rules may be proposed. These laws, regulations and rules may result in delays in the foreclosure process, reduced payments by borrowers, modification of the original terms of the mortgage loans (including the 2023 Series D Mortgage Loans) including permanent forgiveness of debt, increased prepayments due to the availability of government-sponsored refinancing initiatives and/or increased reimbursable mortgage servicing expenses. Several courts have also taken unprecedented steps to slow the foreclosure process or prevent foreclosure altogether.

Any modification of 2023 Series D Mortgage Loans or other Mortgage Loans by the Servicer will result in the removal of such Mortgage Loan from the pool of Mortgage Loans supporting the related Mortgage Certificate. In such event, the principal balance of the Mortgage Loan will be distributed on the related Mortgage Certificate and will affect expected timing of distributions of principal on the Mortgage Certificates and, therefore, the Bonds. Bondholders will bear the risk that modifications of the Mortgage Loans may affect the timing of payments received on their Bonds.

## **Prepayments**

The Revenues available to pay the principal of and interest on the Bonds and Program Expenses include all prepayment amounts received by the Authority from or on account of any Mortgage Loan, subject to certain exclusions. See “SECURITY FOR BONDS—Pledge of Indenture” herein. Prepayments (including the proceeds of liquidation) of Mortgage Loans financed from the proceeds of the Bonds may be available in the year in which they are received for the payment of principal of and interest on any Bonds.

The Trustee will receive scheduled payments and prepayments of the principal of the Mortgage Certificates. Prepayments consist of all principal payments in excess of the scheduled principal payments on the Mortgage Certificates, including, but not limited to, payments representing: (1) optional prepayments of 2023 Series D Mortgage Loans, (2) casualty insurance proceeds or condemnation awards applied to the prepayment of the 2023 Series D Mortgage Loans following a partial or total destruction or condemnation of a residence, (3) mortgage insurance or guaranty proceeds or other amounts received with respect to the 2023 Series D Mortgage Loans following acceleration thereof upon the occurrence of an event of default thereunder, (4) prepayments of the 2023 Series D Mortgage Loans required pursuant to applicable rules, regulations, policies and procedures of FHA, USDA/RD, VA, GNMA or Fannie Mae, (5) prepayments of the 2023 Series D Mortgage Loans without notice while under supervision of a trustee in bankruptcy, and (6) prepayments of the 2023 Series D Mortgage Loans in connection with the modification of such loans that results in the removal of 2023 Series D Mortgage Loans from the pool of loans backing the related Mortgage Certificates. See “RISK FACTORS—Developments in the Residential Mortgage Market May Adversely Affect Bond Payments” above and “APPENDIX A: SUMMARY OF MORTGAGE CERTIFICATE PROGRAM” attached hereto.

The rate at which Prepayments are received affects the amount of Revenues available to pay principal of and interest on the Bonds. Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant short-term effect on the rate of Prepayments. Because the Authority may change the interest rate at which 2023 Series D Mortgage Loans are financed, the economic and financial market conditions during the origination period may have an impact on the ultimate interest rates on the 2023 Series D Mortgage Loans, which in turn could have an impact on the rate of Prepayments. Notwithstanding the foregoing, the Authority is not aware of any means which would allow it to predict the actual level of Prepayments it will receive from the Mortgage Loans, including the 2023 Series D Mortgage Loans. A substantial difference between the actual Prepayments received by the Authority and those assumed in scheduling principal maturities and sinking fund installments on the Bonds could result in a deficiency or a surplus of Revenues available for required scheduled payments of principal of and interest on the Bonds.

The yield to the holders of 2023 Series D Bonds purchased at a discount or premium may be affected by the actual rate of principal payments (including principal prepayments) on the Mortgage Loans to the extent such payments affect principal payments on the Mortgage-Backed Securities. A lower rate of principal prepayments than expected on the Mortgage-Backed Securities would negatively affect the yield on the 2023 Series D Bonds sold at a discount. A higher rate of principal prepayments than expected on the Mortgage-Backed Securities would negatively affect the yield of 2023 Series D Bonds sold at a premium. Because it is impossible to predict with any accuracy the timing and dollar amount of principal prepayments on the Mortgage-Backed Securities that will be made, investors may find it difficult to analyze the effect of prepayments on the yield on the 2023 Series D Bonds.

The 2023 Series D Bonds have been structured to require that certain Prepayments be used periodically to redeem certain 2023 Series D Bonds, and the Authority expects that a substantial portion of the 2023 Series D Bonds may be redeemed prior to their respective stated maturity or scheduled mandatory sinking fund redemption dates. See “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues—*Estimated Weighted Average Lives of 2023D-3 PAC Bonds*” herein. There is no assurance that the Prepayments of the 2023 Series D Mortgage Loans will conform to any assumed prepayment rates, and the Authority makes no representation as to the percentage of the principal balance of the 2023 Series D Mortgage Loans that will be paid as of any date, as to the overall rate of prepayment, or as to the estimates or methodology set forth under such subheading.

Prepayments, scheduled repayments of principal, and Excess Revenues attributable to the 2023 Series D Bonds, and Prepayments, scheduled repayments of principal, and Excess Revenues attributable to other Bonds, whether or not such other Bonds are still outstanding, may be applied to the redemption of the 2023 Series D Bonds without any redemption premium. See “REDEMPTION OF 2023 SERIES D BONDS—Special Optional Redemption.” In addition, Prepayments, scheduled repayments of principal, and Excess Revenues attributable to the 2023 Series D Bonds may be applied to the redemption of the 2023 Series D Bonds or other Bonds of the Indenture, as set forth under the heading “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues.” **Subject to the foregoing and to the extent permitted by the supplemental indentures authorizing the issuance of other series of Bonds, the Authority may use Prepayments, scheduled repayments of principal, and Excess Revenues attributable to the 2023 Series D Bonds to redeem Bonds other than the 2023 Series D Bonds. In addition, the Authority may use Prepayments, scheduled repayments of principal, and Excess Revenues attributable to other Bonds, whether or not such other Bonds are still outstanding, to meet the redemption amounts of the 2023D-3 PAC Bonds Applicable Outstanding Amounts table and to redeem other 2023 Series D Bonds.** See “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues—*Cross Calling and Recycling*” herein.

## Investments

The Trustee has invested and will invest moneys on deposit under the Indenture in Investment Securities as directed by the Authority. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Investment Securities” and “APPENDIX F: CERTAIN DEFINITIONS” attached hereto.

The interest income from Investment Securities may change from time to time and may be less than or greater than the interest payable on the Bonds. If and to the extent the interest income from Investment Securities is less than the interest payable on the Bonds, the Authority may be required to pay such deficiency. If and to the extent amounts earned from investment of the proceeds from a series of Bonds in Investment Securities exceed amounts which would have been earned if such proceeds were invested at a rate equal to the yield on such series of Bonds, such excess may be subject to rebate to the United States Department of Treasury.

Each Investment Security will evidence the obligation of the issuer of such Investment Security to pay principal of and interest on such Investment Security to the Trustee at certain times for use in accordance with the Indenture. There can be no assurance that the issuer of any Investment Security will be able to pay principal of and interest on such Investment Security at such rates on a timely basis. The issuers of certain of these Investment Securities have recently experienced financial difficulties. The failure of any provider to pay amounts when due under an Investment Security pertaining to the Loan Account could result in the Trustee’s inability to acquire Mortgage Certificates in an account necessary to fully collateralize the Bonds. A failure by the provider to pay amounts due under an Investment Agreement pertaining to the other Accounts could result in the Trustee’s inability to pay interest on the Bonds.

Changes in interest rates will also have an impact on the market value of the Investment Securities held by the Trustee under the Indenture, and such impact may be substantial. Generally, increases in market interest rates will tend to reduce the market value of such Investment Securities, and decreases in market interest rates will tend to increase the market value of such Investment Securities.

The Authority makes no representations regarding (i) the ability of any Investment Security provider to make payments required under the Investment, (ii) the ability of any Investment Security provider to maintain its current ratings, (iii) the effect any downgrade in such ratings may have on the rating then assigned to the Bonds, including

the 2023 Series D Bonds, or (iv) the Trustee's ability to recover amounts owed by an Investment Security provider in the event of a bankruptcy or other default under an Investment Security.

## Derivative Transactions

The Authority is specifically authorized to utilize certain derivative transactions, including interest rate swaps, in connection with its Single Family Program. In connection with the issuance of certain prior bond issues, two of which are outstanding as of the date hereof, the Authority has entered into an ISDA Swap Agreement (collectively the "Swap") with The Bank of New York Mellon Trust Company, N.A., as counterparty (the "Swap Counterparty") to reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing as permitted by the Treasury Regulations.

The following table sets forth certain information relating to the Authority's derivative transactions as of July 1, 2023:

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Optional Early Termination Date
2017 Series B-3	\$17,250,000	1/1/2018	2.420%	70% 3M LIBOR	7/1/2047	7/1/2024
2017 Series C-3	\$15,525,000	7/1/2018	2.495%	70% 3M LIBOR	7/1/2047	7/1/2025

The Authority may also in the future utilize additional interest rate swaps or other hedging instruments provided by other counterparties to reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing.

The Swap, like all derivative transactions, has inherent risks associated with termination, collateral posting, counterparty failure and basis risk. Specifically, the Authority may be obligated, if its bond credit rating deteriorates, to post collateral to secure its obligations to the Swap Counterparty or the Authority may owe a termination fee to the Swap Counterparty upon termination of the Swap. Also, if a Swap Counterparty fails to satisfy its obligations under a Swap, the Authority would be required to pay interest on unhedged variable rate debt. In addition, while the interest index that forms the basis for determining what payments are owed to the Authority by a Swap Counterparty is designed to approximately equal a portion of the interest paid on the Authority's related Bonds, there is no assurance that the payments received by the Authority on the Swap will in fact approximate the portion of the interest paid on such Bonds, creating the potential for an effective higher or lower yield than was expected. If the net actual hedged yield is less than expected, the Authority must either reduce payments due on the Mortgage Certificates or make a Yield Reduction Payment to the Internal Revenue Service to protect the tax exemption of the related Bonds.

## Proposed Phase-Out of LIBOR

The Authority's Swap is based on the London Interbank Offered Rate ("*LIBOR*"), as described above.

In September 2012, the U.K. government published the results of its review of LIBOR (commonly referred to as the "*Wheatley Review*"). The Wheatley Review made a number of recommendations for changes with respect to LIBOR including the introduction of statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the British Bankers' Association to an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate setting. Based on the Wheatley Review, final rules for regulations and supervision of LIBOR by the Financial Conduct Authority (the "*FCA*") were published and came into effect on April 2, 2013 (the "*FCA Rules*").

In particular, the FCA Rules include requirements that (1) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior, and (2) firms submitting data on LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls. In addition, in response to the Wheatley Review recommendations, ICE Benchmark Administration Limited has been appointed as the independent LIBOR administrator, effective February 1, 2014.

On July 27, 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. On March 5, 2021, the FCA released a statement (the “*FCA Announcement*”) that the publication of the one week and two month US Dollar LIBOR tenors will permanently cease after December 31, 2021 and that publication of the overnight and twelve month US Dollar LIBOR tenors will permanently cease after June 30, 2023. Regarding the more widely used one-month, three-month, and six-month US Dollar LIBOR tenors, the FCA Announcement stated that these LIBOR rates will no longer be representative immediately after June 30, 2023. The FCA is considering whether to require the continued publication of one month, three month and six-month US Dollar LIBOR tenors on a synthetic basis for a further period after the end of June 2023. Any such synthetic LIBOR would not be for use in new contracts but is intended for use only in certain legacy contracts.

In 2014, the Federal Reserve System and the Federal Reserve Bank of New York created the Alternative Reference Rate Committee (“*ARRC*”). ARRC consists of a wide variety of market participants, trade organizations and ex officio regulators. In 2017, ARRC identified the Secured Overnight Financing Rate (SOFR) as the replacement for USD LIBOR. In October 2020, the International Swaps and Derivatives Association published its 2020 IBOR Fallbacks Protocol (the “*2020 ISDA Protocol*”) which provides for replacement of USD LIBOR with SOFR upon a cessation of USD LIBOR. The 2020 ISDA Protocol provides contractual language that would convert swaps that reference 3M LIBOR, like the Authority’s, to a daily-compounded SOFR rate over the same calculation period. Additionally, the party receiving the new SOFR-based formula will also receive a pre-defined credit spread. In the case of 100% 3M LIBOR transactions, that credit spread would be 26.161 bp. (See the ISDA Fallbacks Protocol, which is published on ISDA’s website.) The Authority has not yet adhered to the 2020 ISDA Protocol. If the Authority does not adhere to the 2020 ISDA Protocol or otherwise amend the Swap, and to the extent that the value of LIBOR securities is affected by reported LIBOR and the Swap rate is not subject to a replacement rate that contemporaneously changes to reflect the value of borrowing in the same manner as LIBOR, the level of interest payments and that value of the securities may be affected. The Authority cannot predict whether or to what extent under various interest rate scenarios the substitution of this fallback rate for 3M LIBOR will affect how close the floating rate under any such swap will be to the interest rate on the bonds which are being hedged. The Authority continues to monitor the LIBOR related developments.

The Consolidated Appropriations Act, 2022 that was signed into law on March 15, 2022 included, as Division U thereof, the Adjustable Interest Rate (LIBOR) Act (the “*Federal LIBOR Fallback Legislation*”). The Federal LIBOR Fallback Legislation contains provisions that: (i) provide for the reformation, by operation of law, of agreements that, by their terms, either do not contain benchmark rate fallback provisions or contain only fallback provisions that either are based upon LIBOR or require polling or inquiry as to interbank lending or deposit rates; (ii) in such cases, substitute, as a benchmark replacement rate, a rate identified by the Federal Reserve Board that is based on SOFR as of the first London banking day subsequent to (x) June 30, 2023 or (y) with respect to any tenor of LIBOR, another date upon which the Federal Reserve Board determines that such LIBOR tenor will cease to be published or to be representative (a “*Board-Selected Benchmark Replacement*”); (iii) preempt the operation of any state or local laws, statutes, rules, regulations or standards that relate to the selection or use of a benchmark replacement rate or that limit the manner of calculating interest as applicable to a Board-Selected Benchmark Replacement, in each case including associated conforming changes; and (iv) require the Federal Reserve Board to promulgate regulations to carry out its provisions within 180 days. The Federal LIBOR Fallback Legislation also includes additional provisions addressing legal consequences that might otherwise result from contractual modifications to substitute a SOFR-based benchmark replacement rate provisions for existing LIBOR-based rate provisions.

### **Program Expenses and Administrative Fee**

The Indenture permits the Trustee to transfer at any time, upon the written direction of an Authorized Officer, any amounts on deposit in the Revenue Account to the general operating funds of the Authority for the purpose of paying reasonable and necessary Program Expenses for the then current Fiscal Year. The Indenture places no limitation on the amount of Program Expenses which may be withdrawn from the Revenue Account by the Authority. In addition, the Indenture permits the payment of a fee to the Authority for administering the Programs, which Administrative Fee will be as provided in the Supplemental Indenture for each series of Bonds. See “*SINGLE FAMILY MORTGAGE PROGRAM—Program Expenses and Administrative Fee*” herein and “*APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Revenue Account*” attached hereto.

Pursuant to the Indenture, the Authority is permitted to transfer moneys from the Revenue Account to the Swap Payment Account so long as the remaining amounts in the Revenue Account, together with investments held in



the Loan Account, exceed 103% of the principal amount of outstanding Bonds. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE” attached hereto.

### **Non-Origination**

There can be no assurance that the Lenders will be able to originate 2023 Series D Mortgage Loans, or that the Servicer will be able to purchase 2023 Series D Mortgage Loans from Lenders or to sell 2023 Series D Mortgage Certificates backed by Mortgage Loans to the Trustee in the amounts and by the times contemplated by this financing. Under the Origination Agreements, the Lenders are not committed to originate any 2023 Series D Mortgage Loans. Rather, the Origination Agreements provide for a first-come, first-served reservation procedure, which does not require Lenders to pay any reservation fee, or commit to the origination of any 2023 Series D Mortgage Loans, until the Lender has received a completed 2023 Series D Mortgage Loan application. Each Lender’s competition in making real estate loans in the State normally comes primarily from savings and loan associations, commercial banks, mortgage bankers and qualifying lenders in the area. One of the principal factors in competing for such real estate loan business is the interest rate charged in combination with the discount, origination fees to be charged and the amount of down payment assistance provided. Although the Authority may change the fixed interest rate at which 2023 Series D Mortgage Loans are originated in order to maintain rates at competitive levels as described below, economic and financial considerations of the Authority, requirements of the Indenture and federal tax laws and regulations may limit the ability of the Authority to maintain competitive interest rates. As of September 30, 2023, the Authority had approximately \$73,618,000 in unexpended 2023 Series C proceeds and other lendable and recycling proceeds, however, the Authority has accepted approximately \$146,510,000 of reservations for Mortgage Loans a substantial portion of which are intended to be purchased in the form of Mortgage Certificates and down payment assistance loans.

The Authority anticipates originating FHA/VA/USDA insured 2023 Series D Mortgage Loans which will be financed through the purchase of GNMA Certificates by the Trustee. The weighted average fixed interest rate on the 2023 Series D Mortgage Loans is initially expected to be approximately 7.500% per annum, and the average discount and origination fees for the 2023 Series D Mortgage Loans are expected to be 1% of such Mortgage Loan (plus a minimal loan processing fee). However, the fixed interest rate may change from time to time pursuant to the Program. The Authority expects to evaluate interest rates weekly and to change the fixed interest rates as appropriate considering rates in the residential mortgage market generally and economic and financial considerations of the Authority and within the limitations established by federal tax laws and regulations. See “SINGLE FAMILY MORTGAGE PROGRAM” herein.

In order to provide down payment assistance to qualified borrowers, the Authority expects to use a portion of the proceeds of the 2023 Series D Bonds to finance the First Place Program that provides down payment assistance loans equal to approximately 6.0% of the home’s purchase price. However, the Authority may modify the current down payment assistance program and may develop new down payment assistance programs as part of its homeownership lending programs.

Each series of Bonds issued by the Authority bears interest at different rates and accordingly the Mortgage Loans originated with proceeds of each series of Bonds may have different interest rates and other characteristics.

The Authority has a continuous lending program which permits the Authority to change the fixed interest rate at which Mortgage Loans are originated from time to time. As a result, the Authority may blend proceeds of two or more series of Bonds, may accept reservations for Mortgage Loans from one or more series of Bonds at the same time and may determine to allocate reserved amounts to one or more different series of Bonds upon origination and purchase of Mortgage Certificates. Accordingly, it is impossible for the Authority to predict accurately the sequence and rate that Mortgage Loans will be originated from any particular series of Bonds.

Prevailing interest rates for conventional mortgages in the State could fall to a point which would make the interest rate on 2023 Series D Mortgage Loans uncompetitive, and as a result the Authority might not be able to finance all of such 2023 Series D Mortgage Loans.

The Authority may in the future issue Bonds under the Indenture, or bonds under separate trust indentures, which make available mortgage loans at interest rates below, and/or discount and origination fees less than, the respective rates and discount and origination fees provided for 2023 Series D Mortgage Loans. Loans carrying higher

interest rates and/or higher discount and origination fees may be more difficult to originate than other mortgage loans available from the Authority. In addition, the Authority has a Mortgage Credit Certificate Program which provides federal tax credits to qualified homebuyers, which credits reduce the effective borrowing cost. Mortgage Credit Certificates cannot be combined with Mortgage Loans originated with the proceeds of Bonds. The qualifications mirror those of the Program and, therefore, Lenders throughout the State may market Mortgage Credit Certificates to the same group of homebuyers to whom the Programs are directed. Homebuyers in higher marginal income tax brackets may find Mortgage Credit Certificates more attractive than Mortgage Loans under the Program. See “AUTHORITY—Other Activities of Authority—*Mortgage Credit Certificate Program*” herein.

The Authority is required to keep 20% of proceeds of the 2023 Series D-1 Bonds constituting new money tax-exempt bonds (\$9,012,251.79) or other moneys of the Authority available for 12 months for origination of 2023 Series D Mortgage Loans in targeted areas. Further, the Authority may from time to time withhold from the first-come, first-served reservation procedure a portion of the proceeds of any series of Bonds, including the 2023 Series D Bonds, and devote such amounts to the origination of Mortgage Loans containing additional restrictions or features which may permit the Authority to focus its origination of Mortgage Loans on certain locations or among borrowers meeting certain eligibility requirements. Special programs established by the Authority, such as a down payment assistance program, may have certain eligibility requirements and other features that may cause Mortgage Loans under such program or programs to be more difficult to originate than other Mortgage Loans under the Single Family Mortgage Program.

The Authority intends to finance the 2023 Series D Mortgage Loans from amounts deposited to the 2023 Series D Subaccount of the Loan Account upon issuance of the 2023 Series D Bonds. See “FINANCING PLAN,” “SOURCES AND USES OF FUNDS” and “SINGLE FAMILY MORTGAGE PROGRAM” herein. To finance the purchase of such Mortgage Loans, the Trustee, on behalf of the Authority, will purchase Mortgage Certificates backed by Mortgage Loans from the Servicer. The Mortgage Certificates, if any, must consist of (i) GNMA Certificates, the timely payment of principal of and interest on which is guaranteed by GNMA, (ii) UMBS, the timely payment of principal of and interest on which is guaranteed by Fannie Mae or (iii) UMBS, the timely payment of principal of and interest on which is guaranteed by Freddie Mac. The Authority currently has no plans to purchase UMBS with the proceeds of the 2023 Series D Bonds but may elect to do so in the future. See “APPENDIX A: SUMMARY OF MORTGAGE CERTIFICATE PROGRAM” attached hereto for further discussion of GNMA, Fannie Mae and Freddie Mac programs.

The dollar amount of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA can insure in any federal fiscal year are limited by federal statute and certain applicable administrative procedures. If an appropriation act is not passed in any federal fiscal year or if GNMA or FHA reaches the limits of its authority, or if GNMA in its sole discretion, or the federal government, alters or amends the GNMA Certificates program, or if the Federal Housing Finance Agency, Fannie Mae, or Freddie Mac, in their sole discretion, alters or amends the UMBS program in such a way as to prevent the Lenders from originating Mortgage Loans or the Servicer from issuing GNMA Certificates or UMBS, the Lenders might not be able to originate Mortgage Loans or the Servicer might not be able to issue GNMA Certificates, or UMBS in the amounts contemplated by this financing.

If and to the extent that 2023 Series D Mortgage Loans are not originated by the Lenders or the Servicer fails to purchase such Mortgage Loans from the Lenders or the Servicer fails to sell such Mortgage Certificates to the Trustee in the amounts and by the times contemplated by this financing, the Authority may, and in certain circumstances will be required to, apply the amounts remaining unexpended in the Loan Account to the redemption of 2023 Series D Bonds, without any premium (except with respect to the 2023D-3 PAC Bonds). The Authority shall instruct the Trustee to use 2023 Series D-1 and D-2 Bond proceeds to redeem the 2023 Series D-1 and D-2 Bonds under this provision and shall instruct the Trustee to use 2023 Series D-3 Bond proceeds to redeem the 2023 Series D-3 Bonds under this provision. See “REDEMPTION OF 2023 SERIES D BONDS—Special Redemption from Unexpended Proceeds” herein.

### **Federal Soldiers and Sailors Civil Relief Act**

Under provisions of the Federal Soldiers and Sailors Civil Relief Act of 1940, as amended (the “*Relief Act*”), no obligation or liability “incurred by a person in military service prior to his entry into such service shall, during any part of the period of military service . . . bear an interest rate in excess of 6 per centum per annum . . .” The Authority cannot predict what number, if any, of the Mortgage Loans to be purchased under its programs may become subject

to the provisions of the Relief Act, but the Authority does not anticipate, based on the information presently available to it, that the application of the Relief Act will have any material adverse effect on the ability to the Authority to pay debt service on the 2023 Series D Bonds. Fannie Mae has indicated that it will follow the requirement of the Relief Act and forgive interest in excess of 6%; however, Fannie Mae requires the Master Servicer to advance the interest differential between the 6% collected from the borrower and the pass through rate on the UMBS. Fannie Mae will reimburse the Master Servicer for the interest differential amount they advance in connection with loans subject to the Relief Act. GNMA has indicated that, in the event the Relief Act causes a deficiency in amounts received on the Mortgage Loans backing GNMA Certificates, the Master Servicer, and not GNMA, would be responsible for paying such deficiency. There can be no assurance that the Master Servicer would be willing or able to pay any such deficiency. If any such deficiency is not paid by the Servicer, GNMA will pay such deficiency, to the extent required by its guaranty of the GNMA Certificate. The Authority is unable to determine whether the provisions of the Relief Act will affect the willingness of Lenders to originate Mortgage Loans, or the willingness of the Master Servicer to perform its obligations under the Mortgage Origination and Sale Agreement.

### **Tax Compliance**

The Code provides that interest on obligations such as the 2023 Series D-1 and D-2 Bonds is excludable from gross income for federal income tax purposes if certain requirements are met with respect to the terms, amount and purpose of the obligations, the use of funds generated by the issuance of the obligations, the nature of the residence and the mortgage, the eligibility of the borrower executing the mortgage, and the submission of periodic and annual information reports compiled by the Authority. Failure to comply with such requirements could cause interest on the 2023 Series D-1 and D-2 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. Although the 2023 Series D Mortgage Loans funded with the proceeds of the 2023 Series D-3 Bonds need not comply with the tax provisions required for the 2023 Series D-1 and D-2 Bonds, the Authority has elected to comply with the same tax provisions for each series. See “FEDERAL TAX LAW REQUIREMENTS” herein.

### **Release of Funds from Indenture**

The Indenture permits the Trustee to transfer to the Authority, free and clear of the lien of the Indenture, any amount in the Revenue Account by which the principal amount of Mortgage Loans, together with investments in the Loan Account, exceeds 103% of the Principal Asset Bonds (as defined in APPENDIX F). See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Revenue Account” and “APPENDIX F: CERTAIN DEFINITIONS” attached hereto. For a summary of Revenue Account balances and asset to liability ratios, see “SINGLE FAMILY MORTGAGE PROGRAM—Summary of Revenues, Expenses and Program Balances” herein.

### **Ratings Downgrade**

The ratings awarded to the 2023 Series D Bonds by the Rating Agencies are based on various factors, including the credit of GNMA, Fannie Mae, Freddie Mac, and the providers of any Investment Securities pertaining to the Bonds. If the rating awarded to the securities issued or guaranteed by GNMA, Fannie Mae and Freddie Mac is reduced, or if the rating awarded to the providers of such Investment Securities are reduced, the ratings on the 2023 Series D Bonds may be reduced. Any reduction of the ratings in effect for the 2023 Series D Bonds is expected to adversely affect the market price of the 2023 Series D Bonds. See “RATINGS” herein.

### **Enforceability of Remedies; Bankruptcy**

The remedies available to the Trustee and holders of the 2023 Series D Bonds upon an Event of Default under the Indenture or an event of default under the other documents described herein are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited by bankruptcy protection provided to borrowers, insurers or other participants described herein. The various legal opinions to be delivered concurrently with the delivery of the 2023 Series D Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by the application of equitable principles.

## **COVID-19 Pandemic**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Authority's ability to conduct its business. A prolonged disruption in the Authority's operations could have an adverse effect on the Authority's financial condition and results of operations. One such external event is the global outbreak of COVID-19 ("*COVID-19*"), a respiratory disease declared to be a pandemic (the "*COVID-19 Pandemic*") by the World Health Organization. The COVID-19 Pandemic continues to impact the nation and the State. At this time the Authority cannot predict 1) the duration or extent of the COVID-19 Pandemic or any other outbreak emergency; 2) the duration or expansion of any foreclosure or eviction moratorium affecting the Servicer's ability to foreclose and collect on delinquent mortgage loans; 3) the number of mortgage loans that will be in forbearance or default as a result of the COVID-19 Pandemic and subsequent federal, state and local responses thereto, including the American Rescue Plan Act; 4) whether and to what extent the COVID-19 Pandemic or other outbreak or emergency may disrupt the local or global economy, real estate markets, manufacturing, or supply chain, or whether any such disruption may adversely impact the Authority or its operations; 5) whether or to what extent the Authority or other government agencies may provide additional deferrals, forbearances, adjustments, or other changes to payments on mortgage loans; or 6) the effect of the COVID-19 Pandemic on the State budget, or whether any such effect may adversely impact the Authority or its operations. However, the continuation of the COVID-19 Pandemic and the resulting containment and mitigation efforts could have economic uncertainties arise which may negatively affect the financial position, results of operations and cash flows for the Authority, including the reduction of overall investment position. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

## **Cyber Security and Cyber Risks**

The Authority, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the Authority may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Authority's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. In the last five years, the Authority has not had a major cyber breach that resulted in a financial loss. No assurance can be given that the Authority's current efforts to manage cyber threats and security will, in all cases, be successful. The Authority cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The Authority relies on other entities and service providers in the course of operating the Authority, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the Authority and the owners of the 2023 Series D Bonds, including the possibility of impacting the timely payments of debt service on the 2023 Series D Bonds or timely filings pursuant to the Undertaking (defined herein).

## **THE AUTHORITY**

### **Purpose and Powers**

The Indiana Housing and Community Development Authority (formerly The Indiana Housing Finance Authority) was created in 1978 pursuant to the Act, as a public body corporate and politic of the State. The Authority has been given certain powers under the Act, including the power to enter into contracts and agreements, acquire, hold and convey property and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate income. The Authority was reorganized and renamed in May 2005, pursuant to Public Law 235-2005.

In establishing the Authority, the General Assembly of the State determined that there existed a need for decent, safe and sanitary housing in the State which is within the financial means of low and moderate income persons and families, that private enterprise and investment should be encouraged to sponsor, build and rehabilitate residential housing for such persons and families, and that the provision of decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at costs which they

could afford is a valid public purpose for which public money may be spent. In order to effect its purposes, the Act empowers the Authority to (i) make or participate in the making of construction loans and mortgage loans to sponsors of federally assisted multi-family residential housing, (ii) purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing from mortgage lenders and (iii) make loans to mortgage lenders in order that such mortgage lenders may make mortgage loans to persons and families of low and moderate income. The Act authorizes the Authority, with the approval of the Public Finance Director of the State of Indiana, to issue its bonds and notes to carry out its purposes, and to issue its refunding obligations to refund any obligations then outstanding which have been issued under the Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations. The Act was amended in 2005 to specifically permit the Authority to enter into any rate swap, basis swap, forward rate agreement, interest rate option, rate cap agreement, rate floor agreement, rate collar agreement, or other similar agreement. The constitutionality of the Act was upheld by the Supreme Court of Indiana in 1980.

## Organization and Membership

The powers of the Authority are vested by the Act in seven members, four of whom are appointed by the Governor of the State of Indiana (the “*Governor*”) and three of whom serve by virtue of holding other State offices. The three (3) ex officio members are the Lieutenant Governor, or the Lieutenant Governor’s assignee, the Treasurer of State, or the Treasurer of State’s assignee, and the Public Finance Director of the Indiana Financing Authority or the Public Finance Director’s designee. No more than three of the Governor’s four appointees may be members of the same political party. The Chair and Vice Chair of the Authority are appointed from among its members by the Governor. Authority members are entitled to reimbursement of necessary expenses incurred in connection with their duties but otherwise receive no compensation. Each appointed member holds office for a four-year term or until his or her successor has been appointed and qualified.

The present members of the Authority, their State office or private affiliation, and the dates of expiration of their terms of office are as follows:

<u>Name</u>	<u>Term Expires</u>	<u>Occupation</u>
Suzanne Crouch, Chair*	January 9, 2024	Lieutenant Governor, State of Indiana
Daniel Elliott, Vice Chair*	December 31, 2026	Treasurer of State
Dan Huges*	Serves at pleasure of Governor	Public Finance Director of the State of Indiana
G. Michael Schopmeyer	September 30, 2026	Kahn, Dees, Donovan & Kahn, LLP
Thomas K. McGowan	September 30, 2026	Kite Realty Group Trust
Andy Place, Sr.	September 30, 2026	Place Builders, Inc.

The Authority is authorized to employ an Executive Director, other legal and technical experts, and such officers, agents and employees as it may require. The Authority is also required by statute to work with the Indiana Finance Authority in issuing bonds and other indebtedness.

The Authority also employs a staff of approximately 180 persons. The principal staff members of the Authority with respect to the Single Family Housing Program and their experience follow:

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\* Serves *ex officio*.

J. JACOB SIPE, Executive Director. Mr. Sipe originally joined the Authority in September 1999 and has been promoted to positions of increasing responsibility. He was named Executive Director effective January 14, 2013, having served in that role on an interim basis since July 28, 2012. He is a graduate of Indiana University's School of Public Environmental Affairs and currently serves on the advisory council for LISC, the Affordable Housing Association of Indiana, and the National Council of Affordable Housing Market Analysts Advisory Committee. Previously, Mr. Sipe served as the head of the Real Estate Department where he was responsible for administering and the ongoing reporting for the State's Section 42 Rental Housing Tax Credit Program, Federal programs such as HOME and CDBG, and State monies including Indiana's Housing Development Fund. Before joining the Authority, Mr. Sipe was employed by the First National Bank of Cloverdale.

RICH HARCOURT, Chief Financial Officer and Director of Finance. Rich Harcourt was named CFO of the Authority in July 2018. He is a graduate of Ball State University with majors in finance and business administration. He began his career in banking and left National City Bank (Indiana) after 32 years. His last assignment at the bank was as SVP and Managing Director of the bank's Specialty Lending unit which included government relationships. Subsequently he joined Damar Services as their CFO. Damar is a not for profit serving children and adults with developmental disabilities, autism, and behavioral challenges. He has served on several not for profit boards in the Indianapolis area and also as the President of the Zionsville Redevelopment Authority.

THOMAS PEARSON, Homeownership Director. Mr. Pearson joined the Authority in December 2011. He holds a Bachelor of Science degree with a concentration in Accounting from the Kelley School of Business at Indiana University and a Master of Business Administration from the Falls School of Business at Anderson University. Prior to his position at the Authority, he held positions with the McDonalds Corporation, Clifton Larson Allen LLP, and HSBC.

The Authority maintains offices at 30 South Meridian Street, Suite 900, Indianapolis, Indiana 46204-3564. The Authority's telephone number is (317) 232-7777. Investor relations contact: Rich Harcourt.

### **Other Activities of Authority**

The following summarizes and describes the Authority's other funds and related programs. This should be read in conjunction with a review of the Authority's complete financial statements. See "FINANCIAL STATEMENTS" herein and "APPENDIX B: FINANCIAL STATEMENTS OF AUTHORITY" attached hereto. The Authority continually evaluates all of its existing programs and the addition or development of new programs, including but not limited to new refinancing programs and any other programs related to the following.

**General Fund.** The General Fund was established by the Authority to account for all revenues and expenses not restricted by the indentures of its mortgage revenue bond programs and its multi-unit program. The unrestricted cash investments of the General Fund are used for multiple purposes in furtherance of the Authority's public purpose, including development of programs such as the Mortgage Credit Certificate Program and Low Income Housing Tax Credit Program, and operation of programs to provide housing to Indiana's low and moderate income households. The assets and revenues in the General Fund are not available to pay any principal of or interest on the 2023 Series D Bonds or any other Bonds issued under the Indenture.

**Information Regarding Mortgage Programs.** The Authority voluntarily disseminates information relating to its single family programs to EMMA each quarter. The most recent quarterly report filed by the Authority is for the quarter ended June 30, 2023. See "ADDITIONAL INFORMATION" herein.

**Mortgage Credit Certificate Program.** From time to time since 1985, the Authority has filed Mortgage Credit Certificate ("MCC") elections pursuant to Section 25(c)(2)(A)(ii) of the Code, electing not to issue specified amounts of qualified mortgage bonds, and the Governor of the State has certified such elections so that such amounts are set aside for the issuance of MCC's under the Authority's Single Family Mortgage Credit Certificate Program. Pursuant to the Code, once an MCC election is made, MCC's may be issued during a period which terminates two years from the next January 1<sup>st</sup> following the MCC election. The assets and revenues under the Mortgage Credit Certificate Program are not available to pay any principal of or interest on the 2023 Series D Bonds or any other Bonds issued under the Indenture.

***Low Income Housing Credit Program.*** The Tax Reform Act of 1986 created a new tax credit for rental housing for low income persons. In 1987, the Authority established a Low Income Housing Tax Credit Program permitted by the Tax Reform Act of 1986 to allocate the available tax credits for the State. Since 1991, the Authority has adopted an annual allocation plan for the Low Income Housing Tax Credit Program. The assets and revenues under the Low Income Housing Tax Credit Program are not available to pay any principal of or interest on the 2023 Series D Bonds or any other Bonds issued under the Indenture.

***Next Home Program.*** The Authority established the Next Home Program to provide competitively-priced market rate mortgage loans and to provide down payment and/or closing cost assistance separate from the Programs. The Authority intends to apply income limitations under the Next Home Program. Under the Next Home Program, the Authority will sell mortgage pass-through securities backed by certain mortgage loans originated under the Next Home Program.

## **SINGLE FAMILY MORTGAGE PROGRAM**

### **Act**

Under Indiana Code § 5-20-1, the Authority may purchase loans from Lenders to provide permanent financing for the rehabilitation, acquisition or construction of single-family residential housing made to persons of low and moderate income for residential housing. Banks, trust companies, savings banks, savings and loan associations, credit unions, national banking associations, federal savings and loan associations and federal credit unions maintaining an office in the State, certain public utilities, certain gas utility systems, insurance companies authorized to do business in the State, and mortgage banking firms and mortgagees authorized to do business in the State and approved by either the Authority or the Department of Housing and Urban Development are eligible to act as lenders under the Program.

In response to this statutory authorization, the Authority has established the Program. The objective of the Program is to provide funds for long-term mortgage financing of residential housing for occupancy by eligible persons in the State and thereby encourage the purchase and construction of residential housing by such persons.

The Act directs the Authority to structure and administer the Program in order to assure that no loan is knowingly made to a person whose adjusted family income exceeds 125% (or 140% under certain circumstances determined by the Authority) of the median income for the geographic area within which the person resides.

The Authority has prepared and continues to develop a program guide (the “*Program Guide*”) for the implementation of the Program to address matters of Authority organization, practices and procedures necessary and appropriate in carrying out and conducting the Program. The Program Guide may be revised from time to time in accordance with and subject to the constraints of the Act and other applicable law.

### **Management’s Discussion and Analysis Concerning Financial Results of Authority**

For the financial results of the Authority, see “APPENDIX B: FINANCIAL STATEMENTS OF AUTHORITY” attached hereto and <https://www.in.gov/ihcda/files/2022-IHCDA-Audited-Financial-Statements-final.pdf>. The section for management’s discussion and analysis included in the financial statements of the Authority is unaudited.

### **Program Expenses and Administrative Fee**

The Indenture permits the Trustee to transfer at any time, upon the written direction of an Authorized Officer, any amounts on deposit in the Revenue Account to the general operating funds of the Authority for the purpose of paying reasonable and necessary Program Expenses for the then current Fiscal Year. Program Expenses include salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Trustee and other fiduciaries, payments made or required to be made or held aside for payment to preserve the excludability from gross income of the interest on the Bonds for federal income tax purposes, costs of issuance not paid from the proceeds of Bonds, mortgage, pool and special hazard insurance premiums, travel, payments for pension, retirement, health and hospitalization and life and disability insurance

benefits, all to the extent properly allocable to the Program, but exclude any Program Expenses paid for out of the Administrative Fee. Program Expenses may also include amounts for establishing and maintaining a two-month reserve to pay operating costs and a reasonable reserve for losses and expenses estimated to be incurred by the Authority and amounts appropriate to reimburse the Authority for Program Expenses paid from other sources. The Indenture also permits the payment of a fee to the Authority for administering the Program, which Administrative Fee will be as provided in the Supplemental Indenture for each series of Bonds. Although the Authority intends to fund its obligations under the Swap from the Swap Payment Account or from general funds of the Authority, the Authority may also have the power to include in moneys drawn from the Revenue Account as Program Expenses or Administrative Fees the amounts needed to pay to the Swap Counterparty a portion of the obligations owed on the Swap. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Revenue Account” attached hereto.

The following table summarizes certain information regarding the Authority’s Program Expenses including the Trustee’s Fees and the Authority Administrative Fees calculated as a percentage of Bonds Outstanding for each series of Bonds for each fiscal year:

<b>Program Expenses</b> (Percentages)		
Series	Trustee Fees	Authority Administrative Fees
2016 Series A	0.03	0.20
2017 Series A	0.03	0.25
2017 Series D	0.03	0.25
2017 Series C	0.03	0.25
2018 Series A	0.03	0.25
2019 Series A	0.03	0.25
2019 Series D	0.03	0.25
2020 Series A	0.03	0.25
2020 Series D	0.03	0.25
2021 Series A	0.03	0.25
2021 Series D	0.03	0.25
2021 Series C	0.03	0.25
2022 Series A	0.03	0.25
2022 Series D	0.03	0.25
2022 Series C&D	0.03	0.25
2023 Series A	0.03	0.25
2023 Series B	0.03	0.25
2023 Series C	0.03	0.25

## **The Servicer**

THE FOLLOWING INFORMATION ABOUT THE SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. SUCH INFORMATION HAS NOT BEEN VERIFIED BY THE AUTHORITY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL AND IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY BY AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE AUTHORITY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

The Servicer is U.S. Bank National Association. As of June 30, 2023, the Servicer serviced 1,350,576 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately \$243.4 billion. The Servicer currently services single-family mortgage loans for State and Local Housing Finance Authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of June 30, 2023, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately \$680.8 billion and a net worth of \$53.0 billion. For the six months ending June 30, 2023, the Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately \$11.6 billion.



The Servicer is (i) an FHA- and VA-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA and (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities (iv) a FHLMC approved seller and servicer of FHLMC securities.

The Servicer is not liable for the payment of the principal of the Bonds or the interest or redemption premium, if any thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the 5th largest financial services holding company in the United States.

### **Mortgage Loans Financed with Other Series of Bonds**

The Authority has issued numerous prior series of Bonds and financed Mortgage Loans from the proceeds of certain series of such Bonds. Certain of such series of Bonds permit the financing of additional Mortgage Loans from Prepayments and Excess Revenues derived from Mortgage Loans originally financed thereby.

All Outstanding Bonds have financed, or are expected to finance, mortgage loans through the purchase by the Trustee of UMBS or GNMA Certificates backed by Mortgage Loans. Lenders originating Mortgage Loans with such proceeds of the Bonds are required to enter into separate but substantially identical origination agreements. The Indenture permits the Authority to change the fixed interest rates for the Mortgage Loans originated from Bond proceeds, and, together with other documents related to such Bonds, contains certain covenants and requirements related to such changes of interest rates, including, without limitation, requirements for certain documentation from the Authority. The Authority expects to evaluate the interest rates weekly and to change the fixed interest rates as appropriate in light of rates in the residential mortgage market generally during the origination period and economic and financial considerations of the Authority and within the limitations established by the Indenture and federal tax laws and regulations. The Authority will analyze on a periodic basis its compliance with its covenants concerning the interest rates for the Mortgage Loans and take steps, if necessary, to maintain compliance with such covenants.

The Origination Agreements provide for a first-come, first-served reservation procedure for the allocation of funds. In each Origination Agreement, the Lender subject thereto will agree that, after its receipt of a notice of availability of funds, such Lender will use its best efforts to originate Mortgage Loans in accordance with the Origination Agreement, the Program Guide and any applicable requirements of Fannie Mae, Freddie Mac or GNMA. However, no Lenders are committed by the Origination Agreement to originate any specific amount of Mortgage Loans. The Authority (or the Servicer in some cases), for each series of Bonds issued, will specify the period during which Mortgage Loans may be originated, the mortgage origination fee, discount points and other items that Lenders may charge borrowers, and provisions whereby Lenders are required to repurchase non-qualifying Mortgage Loans.

Each Origination Agreement provides that the Lender subject thereto represents, warrants and covenants that each Mortgage Loan it delivers to the Servicer for purchase (1) was originated in accordance with the Program Guide and the applicable Fannie Mae Guide, Freddie Mac Guide or GNMA Guide, (2) meets the definition of a Mortgage Loan, (3) was made in accordance with its Origination Agreement, and (4) complies with all rules, regulations and executive orders of all federal, state and local governmental entities.

The Servicing Agreement (a) sets forth the procedures for the issuance of UMBS and GNMA Certificates, which procedures may be modified from time to time to conform to applicable Fannie Mae, Freddie Mac or GNMA procedures, guidelines and policies then in effect, (b) requires the Authority, through the Trustee, to purchase the UMBS or GNMA Certificates delivered by the Servicer to the Trustee in accordance with the Indenture, to the extent moneys are available therefor in the Loan Account, and (c) requires the Servicer to service the Mortgage Loans it purchases from Lenders in accordance with the applicable servicing agreement and the applicable Fannie Mae Guide, Freddie Mac Guide or GNMA Guide.

The Origination Agreements and the Servicing Agreement confer no rights upon holders of the Bonds, and no holder of any Bonds may institute a suit with respect to any Origination Agreement or the servicing agreement, except as provided in the Indenture.

After the closing of such a Mortgage Loan and subject to certain conditions, each Lender is required to sell such Mortgage Loan to the Servicer. Pursuant to the Servicing Agreement by and between the Authority and the Servicer, the Servicer is required to purchase the Mortgage Loans originated by the Lender and to sell UMBS or GNMA Certificates backed by such Mortgage Loans to the Trustee, on behalf of the Authority. The Servicer is required to service the Mortgage Loans in accordance with generally accepted practices of the mortgage banking industry and the respective Fannie Mae Guide, Freddie Mac Guide or GNMA Guide. U.S. Bank National Association acts as the Servicer with respect to all Mortgage Loans. Further information regarding U.S. Bank National Association may be obtained directly from U.S. Bank National Association at 17500 Rockside Road, Bedford, Ohio 44146 (phone: 216-475-8707).

### **Single Family Mortgage Lending Programs**

The Authority has a variety of homeownership lending programs which, in some cases utilize tax-exempt financing or MCCs, but not both. The Authority is currently making loans under the First Place Program to be financed under the Indenture. The Authority's First Place Program utilizes tax-exempt proceeds to purchase mortgage loans. The mortgage loans in the program have 30 year terms with a fixed interest rate. The First Place Program provides down payment assistance loans equal to approximately 6.0% of the home's purchase price. The down payment assistance loan offered in connection with the First Place Program is offered as a forgivable second mortgage, junior and subordinate to the related first mortgage loan. With respect to the First Place Program, such second mortgage will have a term of nine years, will be non-interest bearing and will be forgiven at the end of the nine year term. Under the First Place Program, if the related home is sold, or if the first mortgage is refinanced, the remaining amount of the second mortgage, if any, must be repaid.

Under the Authority's Next Home Program, the Authority has entered into a master trade confirmation with a counterparty to provide rate locks for certain mortgage loans and the counterparty has agreed to purchase certain mortgage-backed pass-through securities backed by those mortgage loans. The Next Home Program does not utilize tax-exempt bond funds, but loans from this program may be paired with MCCs.

## **FEDERAL TAX LAW REQUIREMENTS**

Section 143 of the Code and the regulations implementing predecessor provisions of the Internal Revenue Code of 1954, as amended (collectively, "*Section 143*"), provide that interest on obligations of an issuer such as the Authority issued to finance single family residences is excludable from gross income for federal income tax purposes if certain requirements are met with respect to the terms, amount and purpose of the obligations, the use of funds generated by the issuance of the obligations, the nature of the residence and the mortgage, the eligibility of the borrower executing the mortgage, and the submission of periodic and annual information reports compiled by the Authority. The Authority has elected to issue the 2023 Series D-1 and D-2 Bonds and apply the proceeds thereof in accordance with such requirements. Accordingly, the Authority has reflected these restrictions in relevant documents and believes that reasonable procedures to ensure compliance with such requirements have been established. Although the 2023 Series D Mortgage Loans funded with the proceeds of the 2023 Series D-3 Bonds need not comply with the tax provisions required for the 2023 Series D-1 and D-2 Bonds, the Authority has elected to comply with the same rules regarding borrower eligibility for the 2023 Series D Mortgage Loans funded with the proceeds of the 2023 Series D-3 Bonds.

### **Mortgage Eligibility Requirements**

Under Section 143, the following requirements (the "mortgage eligibility requirements") must be met with respect to each mortgage loan financed or refinanced with the proceeds of the 2023 Series D-1 and D-2 Bonds: (1) the residence being financed must reasonably be expected by the issuer to become the principal residence of the mortgagor within a reasonable time after the financing is provided, and must not be expected to be used in a trade or business, as an investment property or as a vacation home; (2) at least 95% of the lendable proceeds of an issue, after deducting such proceeds used to make mortgage loans in targeted areas and for qualified rehabilitation or home improvement, must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence at any time during the three-year period prior to the date on which the mortgage loan is executed (the "*First-time Homebuyer Requirement*"); (3) the acquisition cost of the residence must not exceed the amount determined under limitations prescribed in Section 143 (the "*Acquisition Cost Limitations*"); (4) all qualifying mortgagors must have family incomes which do not exceed limitations prescribed in Section 143 (the "*Income*

*Limitations*"); (5) proceeds may not be applied to acquire or replace an existing mortgage, except in areas that have been declared a disaster area; and (6) a mortgage may not be assumed unless requirements (1)-(4) above are met at the time of the assumption.

The First-time Homebuyer Requirement does not apply to borrowers whose residences are located in targeted areas. Section 143 also liberalizes the Acquisition Cost Limitations and the Income Limitations for residences located in targeted areas which have been declared Federal disaster areas.

The Authority has established maximum purchase prices for newly constructed and previously occupied homes in each county of the State, based upon the safe harbor maximum purchase prices under applicable federal tax law, as published by the Internal Revenue Service (the "*IRS*"). The maximum purchase price ranges from \$452,970 to \$553,630 for both new and previously occupied homes. The Authority expects to receive updated information annually, and these new purchase price limits will be implemented at that time.

Current maximum permitted income limits for 2023 Series D Mortgage Loans range from \$86,800 to \$121,320 for a one- or two-person household and from \$99,820 to \$141,540 for a family of three or more. Such income limits are subject to change by the Authority from time to time and are also subject to change pursuant to IRS guidelines.

An issue of Bonds is treated as meeting the mortgage eligibility requirements of Section 143 only if (1) the issuer in good faith attempted to meet all of the mortgage eligibility requirements before the mortgages were executed or assumed, (2) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (3) 95% or more of the lendable proceeds of the issue used to make loans was devoted to finance residences which met all such requirements at the time the loans were executed or assumed. Therefore, Section 143 establishes requirements which must be met subsequent to the issuance of the 2023 Series D-1 and D-2 Bonds for the interest thereon to be excludable from gross income of the owner thereof for federal income tax purposes. In determining whether 95% of the proceeds have been so used, Section 143 permits the Authority to rely on affidavits of the borrower and on the Authority's or its agents' examination of copies of the borrower's income tax returns filed with the IRS for the three years preceding the date the Mortgage Loan is executed even though the relevant information in such affidavits and returns should ultimately prove to be untrue, unless the Authority or any of its agents knows or has reason to believe that such information is false.

### **Monitoring for Compliance with Federal Tax Law**

The Authority's Program Guide includes procedures for monitoring Mortgage Loan purchases for compliance with Section 143.

The initial review of the Mortgage Loan application for compliance with Section 143 will be conducted by the Lender. The Lender will be required to review the following documents: (1) the Mortgage Loan application; (2) the affidavit of the borrower including, as needed, income tax returns, leases, rent checks and rent receipts; (3) the appraisal; and (4) the accepted offer to purchase. If the Lender concludes that the Mortgage Loan meets the requirements of the Authority's Program Guide and Section 143, certain of the Mortgage Loan documents bearing on compliance with Section 143 will be submitted to the Authority.

When the Authority receives such documents, it will conduct its own review of such documents for compliance with Section 143. If the Authority concurs in the Lender's assessment that the borrower, the Mortgage Loan and the residence meet the requirements of Section 143, the Authority will issue a preliminary compliance approval letter. Upon its receipt of closing documents evidencing that no material change has occurred which would result in noncompliance with Section 143, the Authority will issue a final compliance approval letter. The Servicer may not purchase any Mortgage Loan prior to receipt of the Authority's final compliance approval letter with respect to such Mortgage Loan.

### **Investment Limitations**

Section 143 requires that the yield on Mortgage Loans attributable to the proceeds of the 2023 Series D-1 and D-2 Bonds may not exceed the yield on the 2023 Series D-1 and D-2 Bonds by more than one and one-eighth percentage points. An issue of Bonds is treated as meeting the Section 143 requirements if (1) the issuer in good faith

attempted to meet all of such requirements and (2) any failure to meet such requirements is due to inadvertent error after taking reasonable steps to comply with such requirements.

To the extent that earnings on the aggregate amount of non-purpose investments invested at a yield materially higher than the yield on the 2023 Series D-1 and D-2 Bonds exceed the amount that would have been earned on such investments if such investments were earning a return equal to the yield on the 2023 Series D-1 and D-2 Bonds, the Authority must periodically pay such excess to the United States.

## **Redemption**

Section 143 of the Code requires that the Authority redeem 2023 Series D-1 and D-2 Bonds (1) from unexpended proceeds within 42 months after their issue date to the extent the proceeds of the 2023 Series D-1 and D-2 Bonds have not been used to finance Mortgage Loans within such 42-month period, and (2) except for amounts received on or before ten years from the date of issuance of the 2023 Series D-1 and D-2 Bonds (or with respect to any refunding bonds, the date of issuance of the corresponding original bond), from Prepayments and scheduled repayments of principal of the Mortgage Loans, less amounts used to pay scheduled principal of or redeem the 2023 Series D-1 and D-2 Bonds, not later than the close of the first semiannual period beginning after any Prepayment or regularly scheduled repayment is received.

## **Recapture Tax on Mortgages**

Section 143, as amended by the Revenue Reconciliation Act of 1990, requires certain mortgagors to pay money to the United States Treasury upon sale of their residences (the “*Recapture Provision*”). The Recapture Provision requires that an amount determined to be the subsidy provided by qualified mortgage bond financing be paid to the United States on disposition of the residence (but not in excess of 50% of the gain realized by the mortgagor). The recapture amount (1) increases over the initial five-year period of ownership, with full recapture occurring if the residence is sold during the fifth year following the date of the Mortgage Loan and (2) declines ratably for a sale occurring in years six through nine, with no recapture for dispositions occurring more than nine years after the Mortgage Loan is executed or for dispositions by reason of death. An exception excludes from recapture part or all of the subsidy in the case of certain assisted eligible persons and families whose incomes are less than prescribed amounts at the time of the disposition. The Authority is unable to predict what effect, if any, the Recapture Provision will have.

## **TAX MATTERS**

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the 2023 Series D-1 and D-2 Bonds is excludable from gross income under Section 103 of the Code for federal income tax purposes. The interest on the 2023 Series D-1 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The interest on the 2023 Series D-2 Bonds is a specific preference item for purposes of the federal individual alternative minimum tax. However, for tax years beginning after December 31, 2022, the interest on the 2023 Series D-1 Bonds and the 2023 Series D-2 Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax. These opinions are conditioned on continuing compliance by the Authority with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the 2023 Series D-1 and D-2 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2023 Series D-1 and D-2 Bonds. See “APPENDIX C: FORM OF BOND COUNSEL OPINION” attached hereto.

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing statutes, decisions, regulations and rulings, interest on the 2023 Series D Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest from income taxation in the State of Indiana. See “APPENDIX C: FORM OF BOND COUNSEL OPINION” attached hereto.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2023 Series D-1 and D-2 Bonds as a condition to the excludability from gross income of interest on the 2023 Series D-1 and D-2 Bonds for federal income tax purposes. The Authority will covenant not to take any action, within its power and control, nor fail to take any action with respect to the 2023 Series D-1 and D-2 Bonds, that would result in the loss of

the excludability from gross income for federal income tax purposes of interest on the 2023 Series D-1 and D-2 Bonds pursuant to Section 103 of the Code (collectively, the “*Tax Covenants*”). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the 2023 Series D-1 and D-2 Bonds establish procedures under which compliance with the requirements of the Code can be met. See “FEDERAL TAX LAW REQUIREMENTS” herein.

The Code also subjects taxpayers to an alternative minimum tax on a taxpayer’s “alternative minimum taxable income,” which, in general terms, consists of a taxpayer’s regular taxable income plus its tax preferences and special adjustments with respect to certain deductions used by a corporation to compute taxable income. One of the preference items for individuals included in determining alternative minimum taxable income is interest on certain private activity bonds.

Although Bond Counsel will render an opinion that interest on the 2023 Series D-1 and D-2 Bonds is excludable from federal gross income and that interest on the 2023 Series D-1 and D-2 Bonds is exempt from income taxation in the State of Indiana, the accrual or receipt of interest on the 2023 Series D-1 and D-2 Bonds may otherwise affect a bondholder’s federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and a bondholder’s other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the 2023 Series D-1 and D-2 Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2023 Series D-1 and D-2 Bonds should consult their tax advisors with regard to the tax consequences of owning the 2023 Series D-1 and D-2 Bonds.

### **Tax Status of the 2023 Series D-3 Bonds**

The following discussion summarizes the material United States federal income tax consequences generally applicable to the purchase, ownership and disposition of 2023 Series D-3 Bonds by a beneficial owner thereof (the “*Owner*”). The discussion is limited to the tax consequences to the initial investors of the 2023 Series D-3 Bonds who purchase the 2023 Series D-3 Bonds at the issue price within the meaning of Section 1273 of the Code and generally does not address the tax consequences to subsequent purchasers of 2023 Series D-3 Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change or possible differing interpretations. Potential purchasers of the 2023 Series D-3 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the 2023 Series D-3 Bonds. The discussion does not purport to be a complete analysis of all of the potential United States federal income tax consequences relating to the purchase, ownership and disposition of 2023 Series D-3 Bonds, nor does this discussion address any state, local, foreign taxes, or federal estate or gift tax consequences. Moreover, there can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS has been, or is expected to be, sought on the issues discussed herein, potentially with retroactive effect. Legislative, judicial, or administrative changes or interpretations may occur that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may or may not be retroactive and could adversely affect the tax consequences discussed below. **Interest on the 2023 Series D-3 Bonds is not excludable from gross income for federal income tax purposes.**

The following is a summary of certain anticipated federal income tax consequences of holding and disposing of the 2023 Series D-3 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary does not purport to address all aspects of federal income taxation that may be relevant to investors. This summary is intended as a general explanatory discussion of the consequences of holding the 2023 Series D-3 Bonds generally and does not purport to furnish information in the level of detail or with the investor’s specific tax circumstances that would be provided by an investor’s own tax advisor. For example, except as explicitly provided below, it generally is addressed only to original purchasers of the 2023 Series D-3 Bonds that are “U.S. Holders” (as defined below), deals only with 2023 Series D-3 Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts,

S corporations, persons that hold 2023 Series D-3 Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose “functional currency” is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of 2023 Series D-3 Bonds. This summary was prepared in connection with the offering of the 2023 Series D-3 Bonds. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to such investor’s particular situation.

As used herein, a “U.S. Holder” is a “U.S. person” that is a beneficial owner of a 2023 Series D-3 Bond. A “Non-U.S. Holder” is a holder (or beneficial owner) of a 2023 Series D-3 Bond that is not a U.S. Person. For these purposes, a “U.S. person” is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions. If a partnership (or an entity taxable as a partnership) holds 2023 Series D-3 Bonds, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the tax status of the partnership. Partners of partnerships holding 2023 Series D-3 Bonds should consult their own tax advisors with regard to the U.S. federal income tax treatment of the purchase, ownership and disposition of the 2023 Series D-3 Bonds.

The 2023 Series D-3 Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest.

If the excess of the stated redemption price at maturity of a 2023 Series D-3 Bond over its “issue price” exceeds a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity), the excess is treated as original issue discount (“OID”). The issue price of the 2023 Series D-3 Bonds is the first price at which a substantial amount of the 2023 Series D-3 Bonds is sold to the public. The issue price of the 2023 Series D-3 Bonds is expected to be the amount set forth on the inside cover pages of this Official Statement but is subject to change based on actual sales.

With respect to a U.S. Holder that purchases in the initial offering a 2023 Series D-3 Bond issued with OID, the amount of OID that accrues during any accrual period equals (i) the “adjusted issue price” of the Bond at the beginning of the accrual period (which price equals the issue price of such 2023 Series D-3 Bond plus the amount of OID that has accrued on a constant-yield basis in all prior accrual periods minus the amount of any payments, other than “qualified stated interest,” received on the 2023 Series D-3 Bond in prior accrual periods) multiplied by (ii) the yield to maturity of such 2023 Series D-3 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period) less (iii) any qualified stated interest payable on the 2023 Series D-3 Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

A U.S. Holder of a 2023 Series D-3 Bond issued with OID must include in gross income for federal income tax purposes the amount of OID accrued with respect to each day during the taxable year that the U.S. Holder owns a 2023 Series D-3 Bond. Such an inclusion in advance of receipt of the cash attributable to the income is required even if the U.S. Holder is on the cash method of accounting for United States federal income tax purposes. The amount of OID that is includible in a U.S. Holder’s gross income will increase the U.S. Holder’s tax basis in a 2023 Series D-3 Bond. The adjusted tax basis in a 2023 Series D-3 Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale or retirement) of the 2023 Series D-3 Bond.

A holder of a 2023 Series D-3 Bond who purchases such 2023 Series D-3 Bond at a cost that exceeds the stated principal amount of such 2023 Series D-3 Bond will have amortizable bond premium equal to such excess. If the holder elects to amortize the bond premium, such election will apply to all 2023 Series D-3 Bonds held by the holder on the first day of the taxable year to which the election applies, and to all 2023 Series D-3 Bonds thereafter acquired by the holder. The premium must be amortized using constant yield principles based on the purchaser’s yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, but a reduction in basis is required for amortizable bond premium even though such premium is applied to reduce interest payments. Bond premium on a 2023 Series D-3 Bond held by a holder that has not elected to amortize bond premium will decrease the gain or loss otherwise recognized on the disposition of the 2023 Series D-3 Bond.

If a holder purchases the 2023 Series D-3 Bonds after the initial offering for an amount that is less than the principal amount of the 2023 Series D-3 Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a 2023 Series D-3 Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

### **Medicare Tax**

An additional tax will be imposed on the net investment income (which includes interest, original issue discount and gains from a disposition of a 2023 Series D-3 Bond) of certain individuals, trusts and estates. Prospective investors in the 2023 Series D-3 Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the 2023 Series D-3 Bonds.

### **Sale or Other Disposition of a 2023 Series D-3 Bond; Defeasance**

Upon a sale or exchange of a 2023 Series D-3 Bond, a holder generally will recognize gain or loss on the 2023 Series D-3 Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such 2023 Series D-3 Bond. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the 2023 Series D-3 Bond not yet taken into income will be ordinary) if the holder holds a 2023 Series D-3 Bond as a capital asset. The adjusted basis of the holder in a 2023 Series D-3 Bond (without OID) will (in general) equal its original purchase price and decreased by any payments received on the 2023 Series D-3 Bond. In general, if the 2023 Series D-3 Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

If the 2023 Series D-3 Bonds are legally defeased, under current tax law a holder will be deemed to have sold or exchanged such 2023 Series D-3 Bond. In the event of such a legal defeasance, a holder generally will recognize gain or loss on the deemed exchange of the 2023 Series D-3 Bond. Ownership of the 2023 Series D-3 Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different than those described in this “TAX MATTERS” section and each holder should consult its own tax advisor regarding the consequences to such holder of a legal defeasance of the 2023 Series D-3 Bonds.

### **Backup Withholding**

The Trustee must report annually to the IRS and to each U.S. Holder any interest that is payable to the U.S. Holder, subject to certain exceptions. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s federal income tax liability and may entitle the owner to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors concerning the application of information reporting and backup withholding rules.

### **Certain U.S. Federal Income and Estate Tax Consequences to Non-U.S. Holders**

This section describes certain U.S. federal income and estate tax consequences to Non-U.S. Holders.

Payments of interest (including OID) on a 2023 Series D-3 Bond to an owner that is not a United States Holder (a “*Non-U.S. Holder*”) are generally not subject to United States federal income tax or nonresident withholding tax so long as the requirements under Code Section 871(h) are satisfied, including that that:

- the Non-U.S. Holder is not actually or constructively a “10-percent shareholder” under Section 871(h) or 881(c)(3)(B) of the Code;
- the Non-U.S. Holder is not, for United States federal income tax purposes, a controlled foreign corporation with respect to which the Authority is a “related person” within the meaning of Section 881(c)(3)(C) of the Code;

- the Non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- the certification requirements under Section 871(h) or 881(c) of the Code and regulations (summarized below) are met; and
- the 2023 Series D-3 Bond interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States under Section 871(b) or Section 882 of the Code.

In order to obtain the exemption from income and withholding tax, either (1) the Non-U.S. Holder must provide its name and address, and certify, under penalties of perjury on Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY or W-8EXP, as applicable, to the Authority, its paying agent, or other applicable withholding agent as the case may be, that such Owner is a Non-U.S. Holder or (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business ("*Financial Institution*") and holds a 2023 Series D-3 Bond on behalf of the Non-U.S. Holder, must certify, under penalties of perjury, to the Authority or its paying agent that such certificate has been received from the Owner by it or by any intermediary Financial Institution and must furnish the Authority or its paying agent with a copy of the certificate. A certificate is generally effective only with respect to payments of interest made to the certifying Non-U.S. Holder after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. A Non-U.S. Holder who does not satisfy the exemption requirements under Code Section 871(h) is generally subject to United States withholding tax on payments of interest (including OID).

Interest on a 2023 Series D-3 Bond (including OID) that is effectively connected with the conduct of a United States trade or business by the Non-U.S. Holder is generally subject to United States federal income tax in the same manner as with a United States Owner, except to the extent otherwise provided under an applicable tax treaty. Effectively connected interest income received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional branch profits tax. Effectively connected interest income will not be subject to withholding tax if the Non-U.S. Holder delivers a properly completed Internal Revenue Service Form W-8ECI to the Trustee.

### **Foreign Account Tax Compliance Act**

Pursuant to the Foreign Account Tax Compliance Act (commonly referred to as "*FATCA*"), foreign financial institutions (which term includes most foreign banks, hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a Beneficial Owner or as an intermediary for another party). A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any "withholdable payments." For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source interest including OID) and also include the entire gross proceeds from the sale or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Under the applicable final Treasury regulations, withholding under FATCA, if required, generally will apply to payments of U.S.-source interest on the bonds and to payments of gross proceeds from dispositions (including redemptions) of the bonds. However, the IRS issued proposed Treasury regulations that eliminate withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, the Authority and any applicable withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States pursuant to FATCA may be subject to different rules with respect to information reporting and related requirements.

The Authority will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.



## **Tax-Exempt Investors**

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a 2023 Series D-3 Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a 2023 Series D-3 Bond is urged to consult their own tax advisor regarding the application of these provisions.

## **ERISA Considerations**

The Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3 (as modified by Section 3(42) of ERISA)), such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**," and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, "**Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2023 Series D-3 Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2023 Series D-3 Bonds, could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of the 2023 Series D-3 Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2023 Series D-3 Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2023 Series D-3 Bonds. The sale of the 2023 Series D-3 Bonds to a Plan is in no respect a representation by the Authority or the Underwriter that such an investment meets the relevant legal or fiduciary requirements with respect to benefit plans generally or any particular Plan. Any ERISA Plan proposing to invest in the 2023 Series D-3 Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Neither the Authority nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the 2023 Series D-3 Bonds or an interest in the 2023 Series D-3 Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the 2023 Series D-3 Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the 2023 Series D-3 Bonds.

**PROSPECTIVE PURCHASERS OF THE 2023 SERIES D-3 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX AND/OR FIDUCIARY ADVISORS PRIOR TO ANY PURCHASE OF THE 2023 SERIES D-3 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE 2023 SERIES D-3 BONDS.**

**ABSENCE OF LITIGATION**

Upon delivery of the 2023 Series D Bonds, an officer of the Authority will certify that no litigation is pending or, to the Authority's knowledge, threatened in any court in any way affecting the existence of the Authority or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Series D Bonds, or the collection of revenues and assets of the Authority pledged or to be pledged to pay the principal of and interest on the 2023 Series D Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the 2023 Series D Bonds or contesting the powers of the Authority or its authority with respect to the 2023 Series D Bonds.

**CERTAIN LEGAL MATTERS**

Certain legal matters related to the authorization, issuance and delivery of the 2023 Series D Bonds are subject to the approval of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. The opinion of Bond Counsel will be in substantially the form included in this Official Statement as APPENDIX C. Certain legal matters will be passed upon for the Authority by its special counsel, Ice Miller LLP, Indianapolis, Indiana, and for the Underwriters by their special counsel, Barnes & Thornburg LLP, Indianapolis, Indiana.

The various legal opinions to be delivered concurrently with the delivery of the 2023 Series D Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

The remedies available to the bondholders upon a default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Indenture may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the delivery of the 2023 Series D Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

**RATINGS**

Moody's Investors Service and Fitch Ratings (each, a "*Rating Agency*") have assigned the ratings of "Aaa" (stable) and "AA+" (stable outlook), respectively, to the 2023 Series D Bonds. Each such rating reflects only the views of the applicable Rating Agency, and an explanation of the significance of such rating may be obtained directly from each such Rating Agency. There is no assurance that either or both of the current ratings will continue for any given period of time or that either or both of the current ratings will not be revised downward or withdrawn entirely if, in the judgment of the applicable Rating Agency, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price or marketability of the 2023 Series D Bonds.

## UNDERWRITING

The 2023 Series D Bonds are being purchased by J.P. Morgan Securities LLC (“JPMS”), as Representative of the underwriters listed on the front cover of this Official Statement (the “Underwriters”). The Underwriters have jointly and severally agreed to purchase the 2023 Series D Bonds at an aggregate price of \$134,998,650.00 representing the par amount thereof (\$134,610,000.00) plus a premium of \$388,650.00. The Underwriters will receive underwriting compensation in the amount of \$959,569.00 with respect to the 2023 Series D Bonds.

The bond purchase agreement with respect to the 2023 Series D Bonds (the “Bond Purchase Agreement”) provides that the respective Underwriters shall purchase all the 2023 Series D Bonds, if any are purchased, the obligation being subject to certain terms and conditions set forth in the respective Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices may be changed, from time to time, by the Underwriters. The Underwriter may offer and sell the 2023 Series D Bonds to certain dealers (including dealers depositing 2023 Series D Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover pages hereof.

JPMS has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2023 Series D Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2023 Series D Bonds that such firm sells.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2023 Series D Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2023 Series D Bonds.

TD Securities (USA) LLC (“TD Securities”), one of the Underwriters of the 2023 Series D Bonds, has entered into a negotiated dealer agreement (the “TD Dealer Agreement”) with TD Ameritrade for the retail distribution of certain securities offerings, including the 2023 Series D Bonds at the original issue price. Pursuant to the TD Dealer Agreement, TD Ameritrade may purchase 2023 Series D Bonds from TD Securities at the original issue prices less a negotiated portion of the selling concession applicable to any of the 2023 Series D Bonds TD Ameritrade sells.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

## MUNICIPAL ADVISOR

cfX serves as the Authority’s municipal advisor pursuant to an engagement agreement. Subject to the terms of such engagement agreement, cfX will provide certain work products to the Authority and the Trustee to be utilized in connection with their respective operating obligations under the Indenture. Each such work product will be based on certain information provided to cfX by the Authority and the Trustee and other third party sources as believed by cfX to be reliable, certain assumptions provided to cfX by the Authority and certain instructions from Bond Counsel. cfX will make no representation with respect to the accuracy of certain of such information or as to the reasonableness of such assumptions and instructions. cfX is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this

Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings. cfX has registered with the Securities and Exchange Commission and the Municipal Securities Rule Making Board as a Municipal Advisor.

## **AGREEMENT OF STATE**

Under the Act, the State may at any time, or from time to time, alter or change the structure, organization, programs, activities or powers of the Authority and may, at its sole discretion, terminate the existence of the Authority. However, in the Act, the State pledges and agrees with the holders of any obligations issued pursuant to the Act that the State will not limit or alter the rights vested in the Authority to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of the holders until the notes or bonds are fully discharged.

## **LEGALITY FOR INVESTMENT**

The Act provides that, in Indiana, the 2023 Series D Bonds are securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, savings and loan associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them.

## **FINANCIAL STATEMENTS**

The statement of net position of the Authority as of December 31, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended (the “*Financial Statements*”), appended hereto as part of this Official Statement (APPENDIX B), have been audited by Forvis, LLP, independent auditors, as stated in their report dated April 21, 2023, appearing herein. The Financial Statements present financial and other information only as of the dates and for the periods set forth therein. The Financial Statements are the most recent audited financial statements of the Authority; however, inclusion of the Financial Statements herein shall not create any implication that Forvis, LLP has undertaken any review or procedures with regard to financial statements or financial information as of any date or for any period beyond December 31, 2022.

**THE 2023 SERIES D BONDS ARE COLLATERALIZED ONLY BY THE ASSETS AND REVENUES PLEDGED UNDER THE INDENTURE AND NOT BY ANY OTHER SOURCE. THE ASSETS AND REVENUES DESCRIBED IN THE AUTHORITY’S FINANCIAL STATEMENTS INCLUDE ASSETS AND REVENUES PLEDGED SOLELY TO THE PAYMENT OF OTHER INDEBTEDNESS OF THE AUTHORITY AND SUCH ASSETS AND REVENUES ARE NOT AVAILABLE TO PAY ANY PRINCIPAL OF OR INTEREST ON THE 2023 SERIES D BONDS.**

## **CONTINUING DISCLOSURE**

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission (the “*SEC*”) in SEC Rule 15c2-12, as amended (the “*Rule*”), the Authority will enter into a Continuing Disclosure Undertaking Agreement dated as of November 1, 2023 (the “*Undertaking*”). Pursuant to the terms of the Undertaking, the Authority agrees to send certain financial information and operating data to EMMA on an annual basis and to provide notice to the Municipal Securities Rulemaking Board of certain material events, pursuant to the requirements of Section (b)(5)(i) of the Rule. The form of Undertaking is set forth in “APPENDIX E: CONTINUING DISCLOSURE UNDERTAKING AGREEMENT” attached hereto.

The Authority entered in a prior Continuing Disclosure Undertaking Agreement dated May 1, 1997 and issued several supplements thereto from time to time thereafter in connection with the issuance of bonds (collectively, the “*Prior Undertaking*”). In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the Rule, the Authority represents that in the previous five years it has fully complied with the Prior Undertaking.

The Authority makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances.

The Authority has, as of the date hereof, filed all required notices with respect to the above instances as they relate to outstanding issues of Bonds.

The Authority has voluntarily filed quarterly financial statements through the NRMSIRs and EMMA system since at least 1997.

### **ADDITIONAL INFORMATION**

In addition to the information to be provided pursuant to the Undertaking, the Authority has filed its quarterly “Single Family Mortgage Revenue Bond Secondary Market Disclosure Report” with the MSRB through EMMA in accordance with the secondary market disclosure project sponsored by the National Council of State Housing Agencies through the quarter ended June 30, 2023. (Copies of the current quarterly report may be obtained directly from EMMA.) The report currently includes certain information on the Authority’s single family mortgage revenue bonds, including without limitation, each series of Bonds outstanding under the Indenture. Accordingly, the Authority has no obligation by law or by contractual agreement to continue to file the aforesaid quarterly reports. See “CONTINUING DISCLOSURE” herein and “APPENDIX E: CONTINUING DISCLOSURE UNDERTAKING AGREEMENT” attached hereto.

Certain provisions of the 2023 Series D Bonds, the Indenture, the Act, the Rule and the Program Guide are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. Copies of the 2023 Series D Bonds, the Indenture, the Act, the Rule and the Program Guide are available for inspection at the offices of the Authority at 30 South Meridian Street, Suite 900, Indianapolis, Indiana 46204-3564, (317) 232-7777, and, during the offering period for the 2023 Series D Bonds, at the office of the Underwriters listed on the cover page hereof.

### **MISCELLANEOUS**

This Official Statement is submitted in connection with the issuance and sale of the 2023 Series D Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. Neither any advertisement of the 2023 Series D Bonds nor this Official Statement is to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the 2023 Series D Bonds.

This Official Statement has been approved, executed and delivered by the Authority.

October 11, 2023

INDIANA HOUSING AND COMMUNITY  
DEVELOPMENT AUTHORITY

By: /s/ J. Jacob Sipe  
J. Jacob Sipe, Executive Director

## SUMMARY OF MORTGAGE CERTIFICATE PROGRAM

### Mortgage Certificates

**GNMA Certificates.** The GNMA Mortgage-Backed Securities Program and the GNMA Certificates contain various provisions, certain of which are summarized below. Reference should be made to the GNMA I and II Mortgage-Backed Securities Guides, GNMA Handbook 5500.3 (collectively, the “GNMA Guide”), and the GNMA Certificates for a full and complete statement of their provisions.

GNMA is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development, with its principal office in Washington, D.C.

There are two GNMA Mortgage-Backed Securities Programs, GNMA I and GNMA II. To issue GNMA Certificates, each Servicer must first apply to and receive from GNMA a Commitment to Guarantee Mortgage-Backed Securities (the “GNMA Commitment”). The GNMA Commitment authorizes the Servicer to issue GNMA Certificates up to a stated amount until the last day of the month one year after the month the GNMA Commitment. Under its Servicing Agreement, each Servicer will be obligated to pay GNMA any fees related to the GNMA Commitment. The dollar amount of GNMA Commitments which GNMA may approve in any federal fiscal year (October 1 through September 30) is limited by statute and administrative procedures.

Each GNMA Certificate will be a “fully modified pass-through” security (guaranteed by GNMA pursuant to GNMA’s GNMA I or GNMA II mortgage-backed securities program), which will require the Servicer to pay each month to the Trustee, as the holder thereof, both specified principal installments and a fixed rate of interest on the unpaid principal balance, plus any prepayments of principal of the related Mortgage Loans received by the Servicer in the previous month. Such payments by the Servicer to the Trustee represent a pass through of the scheduled monthly payments on such Mortgage Loans (less a servicing fee, which includes the GNMA guaranty fee), whether or not the Servicer receives such scheduled monthly payments, plus any prepayments of principal of such Mortgage Loans received by the Servicer in the previous month. Under the GNMA I Program, the Servicer must pay certificated security holders directly and, for book-entry securities, have payments prepared in its accounts prior to the fifteenth day of each month, when the depository will debit the accounts. Servicers may also pay service holders directly by check if it arrives to the security holder by the fifteenth day of each month. Under the GNMA II Program, the Servicer must have payments prepared for certificated securities in its accounts prior to the nineteenth day of the month, when the Central Paying and Transfer Agent will debit the accounts and provide the payments to security holders. For book-entry securities under GNMA II, issuers must have payments prepared prior to the twentieth day of the month. The Servicer will be obligated under the Servicing Agreement to pay the monthly GNMA guaranty fees. GNMA guarantees the timely payment of principal of and interest on each GNMA Certificate.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “National Housing Act”), to, among other things, guarantee the timely payment of principal of and interest on certificates which are issued by an issuer approved by GNMA and are based on and backed by a pool composed of mortgages insured or guaranteed by FHA under the National Housing Act, insured by the Rural Housing Service Program, insured or guaranteed by the Department of Veteran’s Affairs (“VA”) or guaranteed by the Secretary of Housing and Urban Development under Section 184 of the Housing and Community Development Act of 1972 and administered by the Office of Public and Indian Housing under Chapter 13 of Title 12 of the United States Code. Section 306(g) further provides, “The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated December 9, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed certificates of the type being delivered to the Trustee on behalf of the Authority are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.”

GNMA, upon execution of one or more guaranty agreements between the Servicer and GNMA (collectively, the “GNMA Guaranty Agreement”), delivery of the GNMA Certificate by the Servicer and sale of the GNMA

Certificate to the Trustee, will have guaranteed to the Trustee as holder of the GNMA Certificate the timely payment of principal of and interest on the GNMA Certificate. To meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue to the United States Treasury Department its obligations in an amount outstanding at any one time sufficient to enable GNMA to carry out its functions under Section 306. The Treasury is authorized to purchase any obligations of GNMA to be issued under Section 306, and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of the Department of Housing and Urban Development that the Treasury will make loans to GNMA, if needed, to implement GNMA's guaranty.

Under the terms of the GNMA Guaranty Agreement, GNMA will covenant and warrant to the Trustee as the holder of the GNMA Certificate that, if it is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest due.

The GNMA Certificates do not constitute any liability or evidence any recourse against the Servicer or any of its assets, except in respect to or as against the Mortgage Loans on and by which such GNMA Certificates are based and backed. The GNMA Guaranty Agreement generally will provide that, upon any default by the Servicer and the payment under its guaranty by GNMA, or any failure of the Servicer to comply with the terms of its GNMA Guaranty Agreement, GNMA may, by letter to the Servicer, extinguish all the right, title or other interest of the Servicer in the Mortgage Loans in the respective pool, and such Mortgage Loans will thereupon become the absolute property of GNMA, subject only to unsatisfied rights therein of the Trustee. In such event, all authority and power of the Servicer under the GNMA Guaranty Agreement will terminate and expire, all authority and power of the Servicer under the GNMA Guaranty Agreement will pass to and be vested in GNMA, and GNMA will be the successor in all respects to the Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or provided for therein.

For additional information about GNMA and GNMA Certificates, contact: Government National Mortgage Association, 451 Seventh Street SW, Room B-133, Washington, D.C. 20410-9000; telephone (202) 708-1535.

**Freddie Mac UMBS.** The Federal Home Loan Mortgage Corporation ("Freddie Mac") is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"). Freddie Mac is subject to the supervision and regulation of the Federal Housing Finance Agency ("FHFA"), an independent agency of the federal government, to the extent provided in the Housing and Economic Recovery Act of 2008 ("HERA"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital markets; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including mortgages on housing for low-and-moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Freddie Mac has established a mortgage purchase program (the "Guarantor Program") pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Uniform Mortgage-Backed Security issued by Freddie Mac, which represents an undivided interest in a pool consisting of those mortgages. The mortgages purchased can be either fixed rate mortgages. Freddie Mac approves on an individual basis the institutions that may sell and service mortgages under the Guarantor Program after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC insured financial institutions.

UMBS issued by Freddie Mac are mortgage pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. UMBS are issued only in book-entry form through the Federal Reserve Banks' book-entry system. Each Uniform Mortgage-Backed Security represents an undivided interest in a pool of mortgages.



Payments by borrowers on the mortgages in the pool are passed through monthly by Freddie Mac to record holders of the UMBS representing interests in that pool (less fees charged by Freddie Mac).

Payments on UMBS begin on or about fifty-five days after issuance (for fixed rate UMBS). Each month, Freddie Mac passes through to record holders of UMBS their proportionate share of principal payments, including prepayments, on the mortgages in the related pool and one month's interest at the applicable pass-through rate.

Freddie Mac guarantees to each record holder of a Freddie Mac fixed rate UMBS the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's UMBS and the timely payment of scheduled principal. Freddie Mac guarantees to each holder of a Freddie Mac ARM PC the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's Freddie Mac ARM PC and the full and final payment of principal no later than the month after the prescribed final payment date of the PC.

**The obligations of Freddie Mac under its guarantees of UMBS are obligations of Freddie Mac only. Principal and interest payments on UMBS are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality of the United States other than Freddie Mac.** If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the UMBS would consist solely of payments and other recoveries on the related mortgages; accordingly, under those circumstances, delinquencies and defaults on the mortgages would affect distributions on the UMBS and could adversely affect payments on the Bonds. Freddie Mac is subject to the supervision and regulation of FHFA to the extent provided in HERA. See Treasury and "Federal Housing Finance Agency Section" herein.

All mortgages purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage and the creditworthiness of the borrower. Freddie Mac's administration of its guidelines may vary based, among other things, on its evaluation of and experience with the seller of the mortgages, the loan-to-value ratio and age of the mortgages, the type of property securing the mortgages and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgages it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgages in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac; administration of escrow accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage and when to initiate such measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantee. In any event, Freddie Mac generally repurchases from a pool any mortgage that has remained delinquent for at least 24 months. In that instance and in other circumstances in which Freddie Mac repurchases a mortgage, Freddie Mac makes payment of the unpaid principal balance of the mortgage to record holders of the related PC.

This summary concerning Freddie Mac, Freddie Mac's Guarantor Program, Freddie Mac's Mortgage Participation Certificates ("PCs") and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to the most current version of Freddie Mac's Mortgage Participation Certificates Offering Circular, and supplements its Mortgage Participation Certificates Agreement, its Information Statement and any related Information Statement Supplements. Information on Freddie Mac's business generally and its financial condition is contained in Freddie Mac's current Information Statement and Information Statement Supplements. Copies of all these documents can be obtained at Freddie Mac's Investor Relations Department at 8100 Jones Branch Drive, McLean, Virginia 22102 (571-382-4732). This summary is for informational purposes only and is not intended as, nor does it constitute, an offer or solicitation for the purchase or sale of any Freddie Mac security.

Except for this summary, Freddie Mac has not participated in (i) preparing or reviewing the Official Statement or any agreements or documents related to the Official Statement or the Bonds and (ii) the offering of the Bonds. Freddie Mac makes no statement as to the accuracy or adequacy of the Official Statement and the offering of the Bonds and disclaims any responsibility for assuring that the Official Statement or the offering of the Bonds comply with such agreements or documents or with applicable laws and regulations. Freddie Mac's issuance of PCs does not constitute an endorsement of the Bonds.

**Fannie Mae UMBS.** Fannie Mae is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 *et seq.*). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transformed into a stockholder-owned and privately managed corporation by legislation enacted in 1968. Fannie Mae is subject to the supervision and regulation of the FHFA to the extent provided in HERA. The Secretary of Housing and Urban Development also exercises general regulatory power over Fannie Mae. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

ALTHOUGH THE SECRETARY OF THE TREASURY OF THE UNITED STATES HAS CERTAIN DISCRETIONARY AUTHORITY TO PURCHASE OBLIGATIONS OF FANNIE MAE, NEITHER THE UNITED STATES NOR ANY AGENCY OR INSTRUMENTALITY THEREOF IS OBLIGATED TO FINANCE FANNIE MAE OBLIGATIONS OR ASSIST FANNIE MAE IN ANY MANNER.

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the "MBS Program"). THE OBLIGATIONS OF FANNIE MAE, INCLUDING ITS OBLIGATIONS UNDER THE FANNIE MAE CERTIFICATES, ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES.

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the "Fannie Mae Guides"), as modified by the Fannie Mae Pool Purchase Contract (as hereinafter defined), and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture dated as of November 1, 1981, as amended (the "Fannie Mae Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the "Fannie Mae Prospectus"). The Fannie Mae Prospectus is updated from time to time.

Copies of the Fannie Mae Prospectus and Fannie Mae's most recent annual and quarterly reports and proxy statements are available without charge at <https://capitalmarkets.fanniemae.com/mortgage-backed-securities/mbs-prospectuses> or by contacting Investor Relations at Fannie Mae, 1100 15<sup>th</sup> Street NW, Washington, D.C. 20005; telephone: 800-232-6643.

The summary of the MBS Program set forth herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides, the Fannie Mae Prospectus and the other documents referred to herein.

It is expected that Fannie Mae and the Servicer will enter into a Pool Purchase Contract (the "Fannie Mae Pool Purchase Contract"), pursuant to which the Servicer will be permitted to deliver, and Fannie Mae will agree to purchase, Mortgage Loans in exchange for Fannie Mae UMBS. The purpose of the Fannie Mae Pool Purchase Contract is to provide for certain additions, deletions and changes to the Fannie Mae Guides relating to the purchase of Mortgage Loans. In the event of a conflict between the Fannie Mae Pool Purchase Contract and the Fannie Mae Guides, the Fannie Mae Pool Purchase Contract will control. The description set forth below assumes that the Fannie Mae Pool Purchase Contract will be executed substantially in the form presented by Fannie Mae to the Servicer as of the date hereof.

Under the Fannie Mae Pool Purchase Contract, Fannie Mae will purchase both Mortgage Loans eligible under the guidelines set forth in the Fannie Mae Guides and Mortgage Loans insured under the Community Home Buyer's Program sponsored by Fannie Mae (the "Fannie Mae Community Home Buyer's Program") which conform to the conditions set forth in the Fannie Mae Pool Purchase Contract.

The Fannie Mae Pool Purchase Contract obligates the Servicer to service the Mortgage Loans in accordance with the requirements of the Fannie Mae Guides and the Fannie Mae Pool Purchase Contract.

Each Fannie Mae UMBS will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Servicer and identified in records maintained by Fannie Mae. The Fannie Mae Pool Purchase Contract requires that each Fannie Mae Certificate be in a minimum amount of \$250,000.

Fannie Mae will guarantee to the registered holder of the Fannie Mae UMBS that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the Mortgage Loans in the pool represented by such Fannie Mae UMBS, whether or not received, and the full principal balance of any foreclosed or other fully liquidated Mortgage Loan, whether or not such principal balance is actually received. The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the registered holder of Fannie Mae UMBS, would consist solely of payments and other recoveries on the underlying Mortgage Loans and, accordingly, monthly distributions to the Trustee, as the holder of Fannie Mae UMBS, would be affected by delinquent payments and defaults on such Mortgage Loans.

Payments on a Fannie Mae UMBS will be made on the 25<sup>th</sup> day of each month (beginning with the month following the month such Fannie Mae UMBS is issued), or, if such 25<sup>th</sup> day is not a business day, on the first business day next succeeding such 25<sup>th</sup> day. With respect to each Fannie Mae UMBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae UMBS during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Mortgage Loan that was prepaid in full during the calendar month preceding the month in which the distribution date occurs (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances as permitted by the Fannie Mae Indenture), (iii) the amount of any partial prepayment of a Mortgage Loan received during the month preceding the month in which the distribution date occurs, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae UMBS as reported to the Trustee (assuming the Trustee is the registered holder) prior to the distribution date (or, respecting the first distribution, the principal balance of the Fannie Mae UMBS on its issue date).

For purposes of distributions, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan.

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**Financial Statements of Authority**

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**A COMPONENT UNIT OF THE STATE OF INDIANA**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

**Indiana Housing and Community Development Authority**  
**A Component Unit of the State of Indiana**  
**December 31, 2022**

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## **Independent Auditors' Report**

Board of Directors  
Indiana Housing and Community Development Authority  
Indianapolis, Indiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Indiana Housing and Community Development Authority (Authority), a component unit of State of Indiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, including the combining schedule of net position, combining schedule of revenues, expenses, and changes in net positions and combining schedule of cash flows, as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

**FORVIS, LLP**

Indianapolis, Indiana  
April 21, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

# **Indiana Housing and Community Development Authority**

## **(A Component Unit of the State of Indiana)**

### **Management's Discussion and Analysis (Unaudited)**

#### **December 31, 2022**

Management's discussion and analysis of the Indiana Housing and Community Development Authority's (Authority) financial performance provides an overview of the financial activities for the year ended December 31, 2022. This information is being presented to provide additional information regarding the activities of the Authority. The management's discussion and analysis should be read in conjunction with the independent auditor's report, financial statements, and accompanying notes. Notes to the financial statements provide additional information that is essential to a full understanding of the information contained within the financial statements.

#### ***Introduction - The Indiana Housing and Community Development Authority***

The Authority was created in 1978 as a public body corporate and politic of the State of Indiana (the State). The Authority is almost entirely self-supporting and does not rely upon the general taxing authority of the State. The Authority has been given certain powers, including the power to enter into contracts and agreements, acquire, hold, and convey property, and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate income. The Authority's funding comes from a variety of sources, including sales of its own securities to private investors, grants from the Federal government, program fees, investment interest earnings and interest earned on loan portfolios.

The Authority's financial statements include the operations of funds the Authority has established to achieve its purpose. The financial transactions of the Authority are recorded in the funds that consist of a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows of resources, net position, revenues, and expenses as appropriate. The Authority follows enterprise fund reporting. The Authority is considered a component unit of the State and is discretely presented in the State's financial statements.

This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any noteworthy changes in financial position of the Authority. Readers are encouraged to consider the information presented in conjunction with the financial statements, which follow this section.

#### ***Overview of the Financial Statements***

The basic financial statements include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements provide current and long-term information about the Authority and its activities.

The Statement of Net Position answers the question, "How was our financial health at the end of the year?" This statement provides information about the financial position of the Authority at a specific date. The organization of the statement separates assets and liabilities into current and noncurrent balances. The statement shows the totals of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position using the accrual basis of accounting, which is like the accounting method used by most private-sector companies. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2022**

The Statement of Revenues, Expenses and Changes in Net Position accounts for all the current year's revenues and expenses. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through mortgages and loans, externally funded programs, and other revenue sources. This statement also helps answer the question "Is the Authority, as a whole, better, or worse as a result of the year's activities?"

The primary purpose of the Statement of Cash Flows is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing and investing activities. It provides answers to such questions as "Where did the cash come from?"; "What was the cash used for?"; and "What was the change in cash balance during the reporting period?"

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

The financial statements present the activities of the Authority's General Fund, Program Fund, Single Family Fund, and the Mortgage-Backed Security Pass-thru Fund. See Note 1 for a complete description of each of these funds.

# Indiana Housing and Community Development Authority

## (A Component Unit of the State of Indiana)

### Management's Discussion and Analysis (Unaudited)

#### December 31, 2022

### Financial Highlights

The following is a comparative analysis between years for the Statements of Net Position:

	2022	2021	Change	% Change
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and cash equivalents				
Unrestricted	\$ 110,170,721	\$ 176,786,430	\$ (66,615,709)	-38%
Restricted	358,140,310	385,810,319	(27,670,009)	-7%
Accrued interest receivable				
Investments	645,806	273,165	372,641	136%
Investments held against bonds	2,828,878	1,475,401	1,353,477	92%
Accounts and loan receivable, net	14,981,121	131,685,876	(116,704,755)	-89%
Other assets	-	8,974,528	(8,974,528)	-100%
Total current assets	<u>486,766,836</u>	<u>705,005,719</u>	<u>(218,238,883)</u>	<u>-31%</u>
<b>Noncurrent Assets</b>				
Investments				
Unrestricted	127,632,323	86,343,493	41,288,830	48%
Restricted	47,338,088	22,322,766	25,015,322	112%
Investments held against bonds	801,592,742	562,305,252	239,287,490	43%
Accounts and loans receivable, net	144,339,037	114,952,162	29,386,875	26%
Derivative instrument - interest rate swap agreements	2,570,002	-	2,570,002	100%
Capital assets, at cost, less accumulated depreciation	1,123,863	634,435	489,428	77%
Lease assets, less accumulated amortization	7,313,564	4,760,630	2,552,934	54%
Total noncurrent assets	<u>1,131,909,619</u>	<u>791,318,738</u>	<u>340,590,881</u>	<u>43%</u>
Total assets	<u>1,618,676,455</u>	<u>1,496,324,457</u>	<u>122,351,998</u>	<u>8%</u>
<b>Deferred Outflows of Resources</b>				
Pension-related	2,544,543	1,352,590	1,191,953	88%
Accumulated decrease in fair value of derivative	-	1,550,318	(1,550,318)	-100%
Deferred refunding costs	907,994	1,104,179	(196,185)	-18%
Total deferred outflows of resources	<u>3,452,537</u>	<u>4,007,087</u>	<u>(554,550)</u>	<u>-14%</u>
Total assets and deferred outflows of resources	<u>\$ 1,622,128,992</u>	<u>\$ 1,500,331,544</u>	<u>\$ 121,797,448</u>	<u>8%</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Bonds payable	\$ 15,270,000	\$ 18,165,000	\$ (2,895,000)	-16%
Accrued interest payable	12,635,297	6,816,286	5,819,011	85%
Unearned revenue	229,047,349	187,806,345	41,241,004	22%
Government advances	461,410	621,952	(160,542)	-26%
Lease liability	719,750	454,093	265,657	59%
Accounts payable and other liabilities	18,548,254	155,442,366	(136,894,112)	-88%
Total current liabilities	<u>276,682,060</u>	<u>369,306,042</u>	<u>(92,623,982)</u>	<u>-25%</u>
<b>Noncurrent Liabilities</b>				
Bonds payable	835,222,428	572,707,020	262,515,408	46%
Original issue premium	33,781,813	29,369,663	4,412,150	15%
Bonds payable, net	<u>869,004,241</u>	<u>602,076,683</u>	<u>266,927,558</u>	<u>44%</u>
Notes payable	1,470,597	1,545,526	(74,929)	-5%
Derivative instrument - interest rate swap agreements	-	1,550,318	(1,550,318)	-100%
Pension liability	4,425,456	1,435,852	2,989,604	208%
Government advances	31,448,149	33,401,584	(1,953,435)	-6%
Lease liability	7,279,427	4,707,435	2,571,992	55%
Total noncurrent liabilities	<u>913,627,870</u>	<u>644,717,398</u>	<u>268,910,472</u>	<u>42%</u>
Total liabilities	<u>1,190,309,930</u>	<u>1,014,023,440</u>	<u>176,286,490</u>	<u>17%</u>
<b>Deferred Inflows of Resources</b>				
Pension-related	210,882	2,222,819	(2,011,937)	-91%
Accumulated increase in fair value of derivative	2,570,002	-	2,570,002	0%
Total deferred inflows of resources	<u>2,780,884</u>	<u>2,222,819</u>	<u>558,065</u>	<u>-91%</u>
<b>Net Position</b>				
Net investment in capital assets	438,250	233,537	204,713	88%
Restricted	201,319,512	225,884,028	(24,564,516)	-11%
Unrestricted	227,280,416	257,967,720	(30,687,304)	-12%
Total net position	<u>429,038,178</u>	<u>484,085,285</u>	<u>(55,047,107)</u>	<u>-11%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,622,128,992</u>	<u>\$ 1,500,331,544</u>	<u>\$ 121,797,448</u>	<u>8%</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2022**

Total assets and deferred outflows of resources increased by \$121.8 million, or 8%, when compared to 2021. Total current assets decreased \$218.2 million while the noncurrent assets increased by \$340.6 million. Total deferred outflow of resources decreased by \$0.6 million.

The overall increase in total assets was driven by an increase in Investments held against bonds of \$239.3 million. This incorporates an increase in Single Family Fund of \$250.3 million and a decrease in MBS Pass-thru Fund of \$11.0 million. These investments represent new mortgages purchased from the proceeds of new bonds issued less repayments and redemptions. This increase is partially offset by a decrease in accounts and loans receivable of \$87.3 million. The decrease is related to the receipt of cash for Program Fund receivables held at December 31, 2021 for the Indiana Emergency Rental Assistance (IERA) fund, Housing Assistance Fund (HAF), and for the reallocation of the funding of IERA 1.0 due from Treasury.

Total liabilities increased by \$176.3 million, or 17%, when compared to 2021. Total deferred inflows of resources increased by \$0.6 million and total net position decreased by \$55.0 million.

The increase in bonds payable of \$264.0 million is being driven by the \$376.0 million in new bonds issued in 2022 for the Single Family Fund, as mentioned above and detailed below, less paydowns. This is partially offset by a decrease of \$136.9 million in accounts payable and other liabilities primarily for Program Fund. Accounts payable was high at December 31, 2021 for programs such as IERA and HAF as we were awaiting the funds to pay out benefits.

Total net position at December 31, 2022 and 2021 was as follows (in millions of dollars):

	<u><b>2022</b></u>	<u><b>2021</b></u>
Assets and deferred outflows of resources	\$ 1,622.1	\$ 1,500.3
Liabilities and deferred inflows of resources	<u>1,193.1</u>	<u>1,016.2</u>
Net position	<u><u>\$ 429.0</u></u>	<u><u>\$ 484.1</u></u>



**Indiana Housing and Community Development Authority**  
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**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2022**

**Operating Analysis**

The following is a comparative analysis between years of the Statements of Revenues, Expenses and Changes in Net Position:

	<b>2022</b>	<b>2021</b>	<b>Change</b>	<b>% Change</b>
<b>Revenues</b>				
Interest income				
Investments	\$ 6,675,377	\$ 3,504,641	\$ 3,170,736	90%
Investments held against bonds	27,680,757	18,910,660	8,770,097	46%
Loans	1,464,184	1,507,569	(43,385)	-3%
Fee income	5,460,377	6,546,726	(1,086,349)	-17%
Program income	731,760,151	520,118,679	211,641,472	41%
Sale of Next Home investments	2,978,283	11,242,525	(8,264,242)	-74%
Net decrease in fair value of investments	(78,013,279)	(7,052,546)	(70,960,733)	1006%
Other income	2,083,963	1,290,683	793,280	61%
Total revenues	<u>700,089,813</u>	<u>556,068,937</u>	<u>144,020,876</u>	<u>26%</u>
<b>Expenses</b>				
Investment expense (down payment assistance)	634,579	6,355,416	(5,720,837)	-90%
Loss on sale of investments	1,768,018	1,576,803	191,215	12%
Interest expense	22,347,255	15,628,770	6,718,485	43%
Issuance costs	3,503,855	2,288,984	1,214,871	53%
Program expenses	677,638,469	486,933,609	190,704,860	39%
General and administrative expenses	49,244,744	33,536,291	15,708,453	47%
Total expenses	<u>755,136,920</u>	<u>546,319,873</u>	<u>208,817,047</u>	<u>38%</u>
<b>Change in Net Position</b>	<u>(55,047,107)</u>	<u>9,749,064</u>	<u>(64,796,171)</u>	<u>-665%</u>
<b>Net Position, Beginning of Year</b>	<u>484,085,285</u>	<u>474,336,221</u>	<u>9,749,064</u>	<u>2%</u>
<b>Net Position, End of Year</b>	<u>\$ 429,038,178</u>	<u>\$ 484,085,285</u>	<u>\$ (55,047,107)</u>	<u>-11%</u>

# Indiana Housing and Community Development Authority

## (A Component Unit of the State of Indiana)

### Management's Discussion and Analysis (Unaudited)

#### December 31, 2022

For 2022, the change in net position decreased by \$64.8 million, or 665%, when compared to 2021. Total revenue increased by \$144.0 million, or 26%. Total expenses increased by \$208.8 million, or 38%.

The increase in total revenues is largely being driven by the continued growth in program income. The Indiana Emergency Rental Assistance (IERA) fund continues to drive the growth in program income. For 2022, program income for IERA was \$186.9 million. An increase of \$87.0 million over 2021. The Low-Income Energy Assistance Program (LIHEAP) had 2022 program income of \$165.3 million which was an increase of \$102.0 million from 2021. Interest income on investments has increased by \$11.9 million from 2021. This is primarily due to an increase in Single Family Fund investments coupled with rising interest rates. These increases are partially offset by the decrease in fair value of investments of \$71.0 million when compared to 2021. It should be noted that while GASB 31 requires mark to market adjustments on both mortgage-backed securities and investments, the Authority is a long term holder of those assets and does not generally trade those securities. Gain on sale of Next Home investments has decreased by \$8.3 million from 2021. This is due to a decline in the To Be Announced (TBA) security market which was precipitated by the US Treasury's reduction in purchasing of TBA housing securities.

The increase in total expenses is being driven primarily by program activity. Program expense has increased by \$190.7 million over 2021. As mentioned above, there is a significant increase in activity for IERA and LIHEAP. The associated program expenses from these programs have also increased dramatically. This also includes an increase of \$15.7 million in the general and administrative expenses associated with running the programs. There is also an increase of \$6.7 million in interest expense due primarily to the continued issuance of new bonds for the Single Family Fund as discussed in further details below. These increases are partially offset by a decrease \$5.7 million in General Fund investment expense (down payment assistance) which is tied to the TBA security market decline mentioned above.

Total operating income/change in net position for 2022 and 2021 was as follows (in millions of dollars):

	<u>2022</u>	<u>2021</u>
Operating revenues, gains and losses	\$ 700.1	\$ 556.1
Operating expenses	<u>755.1</u>	<u>546.3</u>
Operating income/change in net position	<u>\$ (55.0)</u>	<u>\$ 9.8</u>

# Indiana Housing and Community Development Authority

## (A Component Unit of the State of Indiana)

### Management's Discussion and Analysis (Unaudited)

#### December 31, 2022

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB No. 31) requires the Authority's investments to be reported at fair value. The change in the fair value of investments is an unrealized gain or loss and has no direct effect on actual cash flows of the Authority. The related adjustment should be tempered with the understanding that the underlying assets primarily are not readily marketable due to their relationship with the bond indentures. The change in net position is shown both with and without the GASB No. 31 adjustment below. In the current year, there was a net decrease of \$78.0 million in the net fair value of investments held at year end. Without the GASB No. 31 adjustment, the change in net position for 2022 was \$23.0 million, resulting in a net increase in the change in net position of \$6.2 million between years.

	2022	2021	Change	% Change
Change in net position	\$ (55,047,107)	\$ 9,749,064	\$ (64,796,171)	-665%
Net decrease in fair value of investments	<u>(78,013,279)</u>	<u>(7,052,546)</u>	<u>(70,960,733)</u>	<u>1006%</u>
Change in net position excluding GASB No. 31 adjustment	<u>\$ 22,966,172</u>	<u>\$ 16,801,610</u>	<u>\$ 6,164,562</u>	<u>37%</u>

### **Financial Condition**

The Authority operates within financial policies and guidelines set by the members of its Board of Directors. These guidelines require the Authority to maintain adequate liquid asset levels, good mortgage portfolio performance and a sufficient level of unrestricted assets. Net position on December 31, 2022, consisted of \$201.3 million restricted by funding sources, \$227.3 million unrestricted and available to meet the obligations of the Authority's operations, and \$0.4 million net investment in capital assets. The Authority believes these balances to be sufficient to meet the objectives of the Board of Directors.

### **Capital and Lease Assets**

As of December 31, 2022 and 2021, the Authority had \$8.4 million and \$5.4 million, respectively, invested in capital and lease assets, primarily the building, computer software and hardware. Depreciation and amortization expense was \$1.2 million in 2022 and \$0.9 million in 2021, respectively.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2022**

***Debt Administration***

Total current and noncurrent bonds payable, not including any original issue premium or discount, as of December 31, 2022, was \$850.5 million, which increased \$259.6 million compared to \$590.9 million as of December 31, 2021. This increase was due to the \$116.4 million of maturities and redemptions of bonds previously issued by the Authority, offset against the \$376.0 million in mortgage revenue bond issuances in 2022. The Authority has maintained its long-term bond ratings of Aaa from Moody's Investors Services and AAA from Fitch Ratings. The MBS Pass-thru Indenture is only rated by Fitch. More detailed information about the Authority's debt is presented in Note 6 to the financial statements.

The following new bonds were issued during 2022 (dollars in thousands):

<b>Bond Series</b>	<b>Tax-Exempt Amount</b>	<b>Taxable Amount</b>	<b>Total</b>	<b>Moody's Rating</b>	<b>Fitch Rating</b>
2022 Series A	\$ 85,570	\$ -	\$ 85,570	Aaa	AAA
2022 Series B	116,855	-	116,855	Aaa	AAA
2022 Series CD	<u>153,605</u>	<u>20,000</u>	<u>173,605</u>	Aaa	AAA
Total	<u>\$ 356,030</u>	<u>\$ 20,000</u>	<u>\$ 376,030</u>		

***Economic Factors and Other Financial Information***

The primary business activity of the Authority is funding the purchase of single-family home mortgages and administering various federal programs. The Authority's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Authority loans, rates available in the conventional mortgage markets, the availability of affordable housing and the availability of private activity bond volume cap. The availability of long-term tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Authority to continue its mortgage financing activities.

The Authority's single-family programs and investment income are the main sources of revenues. Market interest rates influence both the Single-Family program and investment income revenues. If interest rates continue at current levels, the Authority expects single family and investment income to be stable. If interest rates rise, the Authority expects single family and investment income to increase as new loans are originated, and new investments are purchased at the higher rates. If interest rates fall, the Authority expects single family and investment income to decrease as new loans are originated and new investments are purchased at the lower rates. The Authority also expects a drop in market rates to cause an increase in prepayments on higher rate mortgages. The Authority uses these prepayments to call the corresponding series bonds, which lowers the rate of return on those bond series.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2022**

***Contacting the Authority's Financial Management***

This financial report is designed to provide the citizens of Indiana, our constituents, and investors with a general overview of the Authority's finances and resources. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Indiana Housing and Community Development Authority, 30 South Meridian Street Suite 900, Indianapolis, IN 46204 or visit our website at [www.in.gov/ihcda/](http://www.in.gov/ihcda/).

## **BASIC FINANCIAL STATEMENTS**

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Net Position**  
**December 31, 2022**

	<u><b>2022</b></u>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Current Assets</b>	
Cash and cash equivalents	
Unrestricted	\$ 110,170,721
Restricted	358,140,310
Accrued interest receivable	
Investments	645,806
Investments held against bonds	2,828,878
Accounts and loans receivable, net	14,981,121
Total current assets	<u>486,766,836</u>
<b>Noncurrent Assets</b>	
Investments	
Unrestricted	127,632,323
Restricted	47,338,088
Investments held against bonds	801,592,742
Accounts and loans receivable, net	144,339,037
Derivative instruments - interest rate swap agreements	2,570,002
Capital assets, at cost, less accumulated depreciation	1,123,863
Lease assets, less accumulated amortization	7,313,564
Total noncurrent assets	<u>1,131,909,619</u>
Total assets	<u>1,618,676,455</u>
<b>Deferred Outflows of Resources</b>	
Pension-related	2,544,543
Deferred refunding costs	907,994
Total deferred outflows of resources	<u>3,452,537</u>
 Total assets and deferred outflows of resources	 <u><u>\$ 1,622,128,992</u></u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Net Position (Continued)**  
**December 31, 2022**

	<b>2022</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Current Liabilities</b>	
Bonds payable	\$ 15,270,000
Accrued interest payable	12,635,297
Unearned revenue	229,047,349
Government advances	461,410
Lease liability	719,750
Accounts payable and other liabilities	18,548,254
Total current liabilities	<u>276,682,060</u>
<b>Noncurrent Liabilities</b>	
Bonds payable	835,222,428
Original issue premium	33,781,813
Bonds payable, net	<u>869,004,241</u>
Notes payable	1,470,597
Pension liability	4,425,456
Government advances	31,448,149
Lease liability	7,279,427
Total noncurrent liabilities	<u>913,627,870</u>
Total liabilities	<u>1,190,309,930</u>
<b>Deferred Inflows of Resources</b>	
Pension-related	210,882
Accumulated increase in fair value of derivatives	2,570,002
Total deferred outflows of resources	<u>2,780,884</u>
<b>Net Position</b>	
Net investment in capital assets	<u>438,250</u>
Restricted	
General fund	1,000,000
Program fund	145,220,703
Single Family fund	55,072,187
MBS Pass-thru fund	26,622
Total restricted net position	<u>201,319,512</u>
Unrestricted	<u>227,280,416</u>
Total net position	<u>429,038,178</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,622,128,992</u>



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2022**

	<b>2022</b>
<b>Revenues</b>	
Interest income	
Investments	\$ 6,675,377
Investments held against bonds	27,680,757
Loans	1,464,184
Fee income	5,460,377
Program income	731,760,151
Sale of Next Home investments	2,978,283
Net decrease in fair value of investments	(78,013,279)
Other income	2,083,963
Total revenues	<u>700,089,813</u>
<b>Expenses</b>	
Investment expense (down payment assistance)	634,579
Loss on sale of investments	1,768,018
Interest expense	22,347,255
Issuance costs	3,503,855
Program expenses	677,638,469
General and administrative expenses	49,244,744
Total expenses	<u>755,136,920</u>
<b>Change in Net Position</b>	(55,047,107)
<b>Net Position, Beginning of Year</b>	<u>484,085,285</u>
<b>Net Position, End of Year</b>	<u><u>\$ 429,038,178</u></u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	<b>2022</b>
<b>Cash Flows From Operating Activities</b>	
Receipts for services	\$ 10,406,907
Receipts for program revenue	889,696,731
Principal received on loans receivable	5,884
Interest received on investments	6,302,736
Interest received on investments held against bonds	21,773,376
Interest received on loans	1,464,184
Payments for program expenses	(862,681,894)
Interest paid on bonds and bank loans	(16,332,059)
Debt issuance costs incurred	(3,503,855)
Payments for suppliers and employees	(763,695)
Net cash provided by (used in) operating activities	<u>46,368,315</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Proceeds from bond issues	384,996,055
Repayments and redemption of bonds and bank loans	(116,484,522)
Net cash provided by (used in) noncapital financing activities	<u>268,511,533</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchases of capital assets	(916,090)
Payments on lease	(469,224)
Net cash provided by (used in) capital and related financing activities	<u>(1,385,314)</u>
<b>Cash Flows From Investing Activities</b>	
Proceeds from sale and maturities of investments	49,819,637
Principal received on investments held against bonds	71,108,167
Purchases of investments held against bonds	(385,147,694)
Purchase of investments	(121,147,717)
Purchase of DPA loans	(22,412,645)
Net cash provided by (used in) investing activities	<u>(407,780,252)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(94,285,718)
<b>Cash and Cash Equivalents, January 1</b>	<u>562,596,749</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$ 468,311,031</u></u>
<b>Cash and Cash Equivalents</b>	
Cash	\$ 321,442,101
Money market investments	<u>146,868,930</u>
Total cash and cash equivalents	<u><u>\$ 468,311,031</u></u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2022**

	<u><b>2022</b></u>
<b>Noncash Transactions from Capital and Related Financing Activities</b>	
Issuance of capital lease obligation	\$ 3,306,873
<b>Reconciliation of Change in Net Position to Net Cash</b>	
<b>    Provided by Operating Activities:</b>	
Change in net position	<u>\$ (55,047,107)</u>
Adjustment to reconcile change in net position to net cash	
provided by operating activities:	
Net decrease in fair value of investments	78,013,279
Loss on sale of investments	1,762,686
Depreciation and amortization	1,180,601
Amortization of bond premium/discount	(4,553,904)
Changes in operating assets and liabilities:	
Accounts and loan receivable	109,730,525
Accrued interest receivable	(1,726,118)
Other assets	8,974,528
Deferred pension costs	(1,191,953)
Deferred refunding costs	196,185
Unearned revenue	41,241,004
Accounts payable and other liabilities	(136,894,112)
Accrued interest payable	5,819,011
Net pension liability	2,989,604
Deferred pension revenue	(2,011,937)
Government advances	(2,113,977)
Total adjustments	<u>101,415,422</u>
Net cash provided by (used in) operating activities	<u><u>\$ 46,368,315</u></u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 1: Authorizing Legislation and Funds**

The Indiana Housing and Community Development Authority (the Authority) was created in 1978 by an act of the Indiana Legislature (the Act). The Authority has been given numerous powers under the Act, including the power to enter into contracts and agreements, acquire, hold and convey property and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate incomes.

The powers of the Authority are vested by the Act in seven members who constitute the Board of Directors, four of whom are appointed by the Governor of Indiana and three of whom serve by virtue of holding other Indiana state offices. The three ex-officio members are the Lieutenant Governor, the State Treasurer, and the Public Finance Director of the State of Indiana. The Authority is considered a component unit of the State of Indiana and is discretely presented in the State's financial statements.

The Act empowers the Authority to (1) make or participate in the making of construction loans and mortgage loans to sponsors of federally assisted multi-family residential housing; (2) purchase or participate in the purchase from mortgage lenders, mortgage loans made to persons of low and moderate income for residential housing; and (3) make loans to mortgage lenders for the purpose of furnishing funds to be used for making mortgage loans to persons and families of low and moderate incomes. The Act authorizes the Authority to issue its bonds and notes to carry out its purposes, and neither the Act nor the Bond Trust Indentures establish any limitation as to the aggregate amount of obligations which the Authority may have outstanding.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes under powers granted to it by the Act. The financial transactions of the Authority are recorded in the funds which consist of a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses, as appropriate. The Authority's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which financial activity is controlled. The Authority's funds are described below.

**General Fund**

The General Fund was established by the Authority to account for all fee income and charges that are not required to be recorded in other funds and for operating expenses of the Authority.

**Program Fund**

The Program Fund accounts for grant and loan activity related to various federal and state programs administered by the Authority.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

***Single Family and Mortgage-Backed Securities Pass-Thru Funds***

The Single Family and Mortgage-Backed Securities (MBS) Pass-thru funds are bond indentures which use bond proceeds to fund the Single Family Mortgage Programs (the Mortgage Programs).

The Mortgage Programs provide for the purchase of mortgage loans made to eligible borrowers for owner occupied housing, which are then securitized into GNMA, FNMA or FHLMC certificates (collectively MBS). Borrowers meeting certain income guidelines may qualify under the Authority's down payment assistance programs.

Commencing in June 1980, the Authority entered into mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies admitted to do business in the State of Indiana whereby the lenders agreed to originate mortgage loans on newly constructed and existing dwellings meeting criteria established by the Authority and to sell them to the Authority.

**Note 2: Summary of Significant Accounting Policies**

***Basis of Presentation***

The Authority's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Authority accounts for all of its activity as a proprietary fund, which includes business-type activities that are financed in whole or in part by fees charged to external parties.

***Measurement Focus and Basis of Accounting***

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred.

***Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires estimates and assumptions that affect the reported amount of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of net position.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

***Cash and Cash Equivalents***

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and investments with a maturity of three months or less.

***Investment Securities***

The Authority reports its investments securities, including MBS, at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest income is recorded on the accrual basis. Realized gains and losses on the sale of investments are determined using the specific-identification method. Changes in the fair value of investments are reported in the statement of revenues, expenses and changes in net position.

Following is a summary of the effects of valuing investment securities at fair value on total assets and deferred outflows of resources, net position and operating income as of and for the year ended December 31, 2022:

	<b>Total Assets and Deferred Outflows of Resources</b>	
	<b>Fair Value</b>	<b>Cost</b>
General Fund	\$ 156,777,940	\$ 160,732,739
Program Fund	438,455,304	438,455,304
Single Family Fund	996,383,697	1,043,071,519
MBS Pass-thru Fund	30,512,051	30,701,665
	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 1,622,128,992	\$ 1,672,961,227
	<hr/>	<hr/>
	<b>Net Position</b>	
	<b>Fair Value</b>	<b>Cost</b>
General Fund	\$ 133,805,516	\$ 137,760,315
Program Fund	167,974,594	167,974,594
Single Family Fund	127,231,446	173,919,268
MBS Pass-thru Fund	26,622	216,236
	<hr/>	<hr/>
Total net position	\$ 429,038,178	\$ 479,870,413
	<hr/>	<hr/>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

	<b>Fair Value</b>	<b>Operating Income Cost</b>
General Fund	\$ 3,165,073	\$ 6,426,315
Program Fund	14,449,768	14,449,768
Single Family Fund	(68,885,272)	1,946,994
MBS Pass-thru Fund	(3,776,676)	143,095
	<hr/>	<hr/>
Total operating income	\$ (55,047,107)	\$ 22,966,172
	<hr/>	<hr/>

***Accounts and Loans Receivable***

Accounts and loans receivable consist primarily of forgivable and non-forgivable loans made to sub-recipients as part of federal and state programs, forgivable loans provided to individuals for down payment assistance, and reimbursements due from other governments for amounts billed or billable for expenses incurred or services provided. The Authority considers all forgivable loans to be uncollectible and reserves the entire balances in the allowance for uncollectible loans. Any additional allowance for uncollectible accounts or loans is determined by periodic management review based upon historical losses, specific circumstances, and general economic conditions.

***Interfund Accounts and Transfers***

Funds are transferred from one fund to support expenses of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for the individual fund. To the extent that certain transactions between funds are not paid or received in the current period, net interfund receivable and payable balances are recorded on the statement of net position at the end of the year.

***Capital Assets***

Capital assets are stated at cost, less accumulated depreciation. The Authority capitalizes fixed asset purchases over \$5,000. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to ten years.

***Lease Assets***

At the commencement of the lease term, the Authority, as lessee, recognizes a lease liability and an intangible right-to-use lease asset. The lease asset is amortized in a systematic and rational manner (straight-line method) over the shorter of the lease term or the useful life of the underlying asset.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

***Deferred Outflows of Resources***

The Authority reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its Statement of Net Position. The deferred outflows of resources in the current year are related to pension and debt refunding costs. The deferred outflows of resources related to pension are for contributions made to the defined-benefit plan between the measurement date of the net pension liabilities from the plan and the end of the year. The debt refunding costs are being amortized over the life of the refunding bonds as a part of interest expense.

***Deferred Inflows of Resources***

The Authority's Statement of Net Position reports a separate section for deferred inflows of resources, which is an acquisition of net position that is applicable to a future reporting period. Deferred inflows of resources are reported for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense and the accumulated increase in the fair value of hedging derivative instruments. The deferred inflows of resources related to pension is attributable to pension expense over a total of ten years, including the current year. In addition, deferred inflows of resources include the fair value of interest rate swap agreements (see Note 7).

***Compensated Absences***

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal time is accrued when earned by the employee and the accrual is based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

***Risk Management***

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The state of Indiana self-insures workers' compensation benefits for all state employees, including Authority employees.

***Unearned Revenue***

Unearned revenue is reported in the financial statements. The availability period does not apply; however, amounts may not be considered earned due to eligibility requirements or other reasons. As eligibility requirements are met, the corresponding revenue is recognized.



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

***Cost-Sharing Defined-Benefit Pension Plan***

The employees of the Authority participate in the Indiana Public Retirement System (INPRS). The Authority recognizes its proportionate share of the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense. Deferred outflows and inflows of resources represent changes in the Authority's allocated proportion from the previous year; differences between the Authority's contributions to the Plan and its proportionate share, actual Plan investment earnings and expected amounts, and expected and actual experience on the Plan included in determining pension expense; and the impact of changes in assumptions on the net pension liability, all of which are being amortized into pension expense over the average expected remaining services life, except for the differences between expected and actual investment earnings, which is amortized over five years. Deferred outflows of resources also includes contributions made to the Plan between the Plan's measurement date for the net pension liability and the end of the Authority's fiscal year.

***Interest Rate Swap Agreements***

The Authority uses interest rate swap agreements to protect against the potential of rising interest rates. The agreements are reported at fair value on the Statement of Net Position; however, changes in fair value are deferred until the termination or expiration of the instruments. The accumulated increase in the fair value of the interest rate swap agreements is reported as a deferred inflows of resources.

***Deferred Refunding Costs***

In 2012, the Authority issued 2012 series bonds under the MBS Pass-thru Fund, the proceeds from which were used to redeem bonds with an outstanding swap agreement. As part of the swap termination upon the bond redemption, the Authority was required to pay swap termination fees of \$9,114,000 to the counterparty. The Authority capitalized amounts paid in connection with the swap termination fees and is amortizing the balance ratably in proportion to 2012 series redeemed during the year. Accumulated amortization of refunding costs was \$8,206,006 at December 31, 2022, and amortization expense, which is reported as part of interest expense, was \$196,185 for the year then ended.

***Original Issue Premiums and Discounts***

Original issue premiums and discounts on bonds are amortized using a method that approximates the effective interest method over the life of the bonds to which they relate.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

***Net Position***

The Authority's resources are classified for accounting and financial reporting purposes into the following net position categories:

- Net investment in capital assets - resources resulting from capital acquisition, net of accumulated depreciation.
- Restricted - net position subject to externally imposed stipulations as to use.
- Unrestricted - net position which are available for use of the Authority.

***Use of Restricted and Unrestricted Resources***

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

***Overdraws of Section 8 Housing Assistance***

HUD Notice PIH 2006-03 and subsequent interpretive guidance issued by HUD requires Section 8 voucher funds to be reported as restricted net position in the Financial Data Schedule filings. Therefore, the Authority includes Section 8 overdraws in net position as restricted.

***Operating Revenues***

The Authority records all revenues derived from mortgages, investment income and federal programs as operating revenues since these revenues are generated from the Authority's daily operations needed to carry out its statutory purpose.

***Program Income***

Program income is recognized as earned as the eligible expenses are incurred or activities are completed. Funding received in advance of being earned are recognized as unearned revenue. Program expenses are subject to audit and acceptance by the granting agency and, because of such audits, adjustments could be required.

***Fee Income***

Fees for Mortgage Credit Certificate and Mortgage Revenue Bond Programs are recorded as fee income in the General Fund as certificates are issued. Rental Housing Tax Credit fees are recognized as applications are submitted. The Authority also receives certain administrative fees for a federal grant program that are recorded as earned.

***Bond Issuance Costs***

Bond issuance costs are expensed as incurred.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

**Allocation of Expenses Between Funds**

The Program, Single Family and MBS Pass-thru Funds provide that funds may be transferred to the General Fund for the purpose of paying reasonable and necessary program expenses.

**Income Taxes**

As an instrumentality of the state, the income of the Authority is exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law.

**Note 3: Deposits and Investments**

	General Fund	Program Fund	Single Family Fund	MBS Pass-Thru Fund	2022 Total
<b>Current</b>					
Cash and cash equivalents					
Unrestricted	\$ 34,006,187	\$ 33,026,663	\$ 43,137,871	\$ -	\$ 110,170,721
Restricted	1,000,000	296,830,073	60,249,595	60,642	358,140,310
Total current cash and cash equivalents	<u>35,006,187</u>	<u>329,856,736</u>	<u>103,387,466</u>	<u>60,642</u>	<u>468,311,031</u>
<b>Noncurrent Assets</b>					
Investments					
Unrestricted	95,352,326	-	32,279,997	-	127,632,323
Restricted	-	-	47,338,088	-	47,338,088
Investments held against bonds	-	-	772,134,294	29,458,448	801,592,742
Total noncurrent investments	<u>95,352,326</u>	<u>-</u>	<u>851,752,379</u>	<u>29,458,448</u>	<u>976,563,153</u>
 Total cash, cash equivalents, and investments	<u>\$ 130,358,513</u>	<u>\$ 329,856,736</u>	<u>\$ 955,139,845</u>	<u>\$ 29,519,090</u>	<u>\$ 1,444,874,184</u>

Cash, cash equivalents and investments held by the Authority as of December 31, 2022 were as follows:

	Fair Value	Cost
Deposits		
Cash	\$ 321,442,101	\$ 321,442,101
Money market mutual funds	146,868,930	146,868,930
Investments		
US Treasuries	11,607,583	11,676,053
Federal agency obligations	163,362,828	170,605,829
Federal agency obligations held against bonds	<u>801,592,742</u>	<u>845,113,506</u>
 Total cash, cash equivalents and investments	<u>\$ 1,444,874,184</u>	<u>\$ 1,495,706,419</u>

# Indiana Housing and Community Development Authority

## (A Component Unit of the State of Indiana)

### Notes to Financial Statements

#### December 31, 2022

#### **Investment Policy**

##### **General**

Indiana Code 5-20-1 authorizes the Authority to invest in obligations of the United States or any of its component states, or their agencies or instrumentalities and such other obligors as may be permitted under the terms of any resolution authorizing the issuance of the Authority's obligations.

##### **Indentures**

The Bond Indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States or any of its component states, obligations issued by certain agencies of the Federal government, and investments collateralized by those types of investments. At December 31, 2022, all investments held by the Authority were in compliance with the requirements of the Indentures.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below.

#### **Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rate. The Authority's investment policy does not restrict investment maturities. As of December 31, 2022, the Authority had the following investments and maturities (in thousands):

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Money market mutual funds	\$ 146,869	\$ 146,869	\$ -	\$ -	\$ -
US Treasuries	11,608	6,688	4,920	-	-
Federal agency obligations	163,363	34,143	90,754	33,058	5,408
Federal agency obligations held against bonds	801,593	-	968	1,310	799,315
	<u>\$ 1,123,433</u>	<u>\$ 187,700</u>	<u>\$ 96,642</u>	<u>\$ 34,368</u>	<u>\$ 804,723</u>

#### **Custodial Credit Risk**

Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty of the counterparty's trust department or agent but not in the Authority's name. As of December 31, 2022, the Authority had not entered into any agreements subject to this paragraph.

In 1937, the State created the Public Deposit Insurance Fund (PDIF) to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions, which exceed the limits of coverage provided by any federal deposit insurance. As of December 31, 2022, all of the Authority's cash was deposited in approved financial institutions.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

**Credit Risk**

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's policy for credit risk requires compliance with the provisions of Indiana statutes. The following table provides information on the credit ratings associated with the Authority's investments in debt securities:

	<b>S&amp;P</b>	<b>Fitch</b>	<b>Moody's</b>	<b>Fair Value</b>
Money market mutual funds	AAAm	AAAmf	Aaa-mf	\$ 146,868,930
US Treasuries	AA+	AAA	Aaa	11,607,583
Federal agency obligations	AA+	AAA	Aaa	163,362,828
Federal agency obligations held against bonds	AA+	AAA	Aaa	801,592,742
				<u>\$ 1,123,432,083</u>

**Concentration of Credit Risk**

The Authority places no limit on the amount it may invest in any one issuer. The following table shows investments in issuers that represent five percent or more of total investments.

<b>Investment</b>	<b>Fair Value</b>
Ginnie Mae	60.9%
Fannie Mae	9.1%
Freddie Mac	8.4%

**Note 4: Accounts and Loans Receivable**

Accounts and loans receivable at December 31, 2022, were as follows:

**General Fund:**

Loans provided to sub-recipients of certain programs	\$ 30,713
Next Home ownership mortgage down payment assistance loans	13,705,780
Accounts receivable	1,238,584
Mortgage loans	31,924
	<u>15,007,001</u>
Less: allowance for uncollectible loans	<u>(13,746,731)</u>
	1,260,270
Current	<u>(1,228,346)</u>
Noncurrent	<u>\$ 31,924</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2022**

*(Continued)*

**Single Family Fund**

Down payment assistance loans	\$ 41,251,103
Less: allowance for uncollectible loans	<u>(2,062,555)</u>
Noncurrent	<u><u>\$ 39,188,548</u></u>

**Program Fund:**

Reimbursements due from other governments	\$ 13,371,024
Section 1602 tax credit exchange program loans	59,143,879
Tax credit assistance program loans	5,448,174
Rural rental housing loans	1,373,871
Home investment partnership program loans	18,023,831
Community development block grant loans	13,424,318
Development fund loans	72,828,632
Hardest hit fund loans	<u>150,176,586</u>
	333,790,315
Less: allowance for uncollectible loans	<u>(214,918,975)</u>
	118,871,340
Current	<u>(13,752,775)</u>
Noncurrent	<u><u>\$ 105,118,565</u></u>

The section 1602 Tax Credit Exchange Program loans, the Hardest Hit Fund loans, and the Next Home Ownership Mortgage Down Payment Assistance (DPA) loans are forgivable, as long as borrowers comply with the provisions of the related agreements. Therefore, these loans are included in the allowance for uncollectible loans. Additionally, the Authority creates allowances for accounts and loans receivable to correspond with their perceived collectability. The General Fund provides the up-front funding for the DPA loans initially, but the cash is reimbursed through the sale of the related securitized loans.

**Note 5: Capital and Lease Assets**

Capital assets activity for the year ended December 31, 2022 was:

	January 1, 2022	Additions	Disposals	December 31, 2022
Computer software	\$ 7,630,965	\$ 101,751	\$ -	\$ 7,732,716
Computer hardware	1,135,048	-	-	1,135,048
Furniture and equipment	<u>10,758</u>	<u>724,431</u>	<u>-</u>	<u>735,189</u>
	8,776,771	826,182	-	9,602,953
Less accumulated depreciation	<u>(8,142,336)</u>	<u>(336,754)</u>	<u>-</u>	<u>(8,479,090)</u>
Capital assets, net	<u><u>\$ 634,435</u></u>	<u><u>\$ 489,428</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,123,863</u></u>

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Lease assets activity for the year ended December 31, 2022 was:

	January 1, 2022	Additions	Disposals	December 31, 2022
Building	\$ 5,409,827	\$ 3,396,781	\$ -	\$ 8,806,608
Furniture and equipment	585,587	-	-	585,587
	5,995,414	3,396,781	-	9,392,195
Less accumulated amortization	(1,234,784)	(843,847)	-	(2,078,631)
Leased assets, net	<u>\$ 4,760,630</u>	<u>\$ 2,552,934</u>	<u>\$ -</u>	<u>\$ 7,313,564</u>

**Note 6: Bonds Payable**

Bonds payable at December 31, 2022, consist of (dollars in thousands):

Single Family Fund	Original Amount	Balance
2016 Series A-1		
Term bonds (2.85%), due 2031	\$ 14,735	\$ 990
	<u>14,735</u>	<u>990</u>
2016 Series A-2		
Serial bonds (2.15%), due 2023	23,565	1,565
PAC bonds (3.50%), due 2038	25,990	4,090
	<u>49,555</u>	<u>5,655</u>
2017 Series A-2		
PAC bonds (4.00%), due 2039	14,070	2,395
	<u>14,070</u>	<u>2,395</u>
2017 Series B-1		
Serial bonds (1.90% to 2.75%), due 2023 - 2028	15,210	8,580
	<u>15,210</u>	<u>8,580</u>
2017 Series B-2		
PAC bonds (4.00%), due 2038	15,740	4,240
	<u>15,740</u>	<u>4,240</u>
2017 Series B-3		
Term bonds (variable), due 2047	17,000	17,000
Term bonds (variable), due 2047	6,000	6,000
	<u>23,000</u>	<u>23,000</u>
2017 Series C-1		
Serial bonds (2.35% to 2.85%), due 2024 - 2027	7,355	5,190
	<u>7,355</u>	<u>5,190</u>

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Single Family Fund (Continued)	Original Amount	Balance
2017 Series C-2		
Serial bonds (2.40% to 2.50%), due 2023 - 2024	\$ 7,465	\$ 1,475
PAC bonds (4.00%), due 2037	12,530	2,185
	<u>19,995</u>	<u>3,660</u>
2017 Series C-3		
Term bonds (variable), due 2047	20,705	20,705
	<u>20,705</u>	<u>20,705</u>
2018 Series A		
PAC bonds (4.00%), due 2048	20,590	11,205
	<u>20,590</u>	<u>11,205</u>
2019 Series A		
PAC bonds (4.25%), due 2048	15,990	9,985
	<u>15,990</u>	<u>9,985</u>
2019 Series B		
Serial bonds (1.35% to 2.25%), due 2023 - 2032	16,240	5,650
Term bonds (2.40%), due 2034	3,420	2,720
Term bonds (2.65%), due 2039	9,835	2,125
PAC bonds (3.50%), due 2049	17,845	12,565
	<u>47,340</u>	<u>23,060</u>
2020 Series A:		
Serial bonds (1.125% to 5.00%), due 2023 - 2032	18,545	10,980
PAC bonds (3.75%), due 2049	20,485	15,750
	<u>39,030</u>	<u>26,730</u>
2020 Series B:		
Serial bonds (1.15% to 5.00%), due 2025 - 2032	31,315	31,315
Serial bonds (5.00%), due 2023 - 2025	12,715	7,535
Term bonds (1.95%), due 2035	14,850	14,850
Term bonds (2.05%), due 2039	21,355	715
PAC bonds (3.75%), due 2049	32,980	23,155
	<u>113,215</u>	<u>77,570</u>
2021 Series A:		
Serial bonds (1.35% to 5.00%), due 2023 - 2033	16,300	15,075
Term bonds (1.90%), due 2036	5,160	5,160
Term bonds (2.05%), due 2041	9,825	9,825
Term bonds (2.15%), due 2045	6,745	6,745
PAC bonds (3.00%), due 2051	17,915	16,470
	<u>55,945</u>	<u>53,275</u>
2021 Series B:		
Serial bonds (1.30% to 5.00%), due 2023 - 2033	32,625	30,825
Term bonds (1.90%), due 2036	10,690	10,690
Term bonds (2.13%), due 2041	22,685	22,090
PAC bonds (3.00%), due 2050	33,205	30,820
	<u>99,205</u>	<u>94,425</u>



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2021 Series C-1:		
Serial bonds (1.95% to 5.00%), due 2027 - 2033	\$ 12,940	\$ 12,940
Term bonds (2.20%), due 2036	11,460	11,460
Term bonds (2.40%), due 2041	12,745	12,745
Term bonds (2.55%), due 2044	5,135	5,135
PAC bonds (3.00%), due 2052	27,010	26,530
	<u>69,290</u>	<u>68,810</u>
2021 Series C-2:		
Serial bonds (0.50% to 1.15%), due 2023 - 2026	6,710	5,430
	<u>6,710</u>	<u>5,430</u>
2022 Series A:		
Serial bonds (2.00% to 5.00%), due 2023 - 2034	23,095	23,095
Term bonds (2.35%), due 2037	10,305	10,305
Term bonds (2.60%), due 2042	19,950	19,950
Term bonds (2.70%), due 2045	2,360	2,360
PAC bonds (3.00%), due 2052	29,860	29,770
	<u>85,570</u>	<u>85,480</u>
2022 Series B:		
Serial bonds (3.85% to 5.00%), due 2023 - 2034	24,845	24,845
Term bonds (4.15%), due 2037	10,255	10,255
Term bonds (4.30%), due 2042	19,110	19,110
Term bonds (4.38%), due 2047	20,650	20,650
PAC bonds (4.75%), due 2052	41,995	41,995
	<u>116,855</u>	<u>116,855</u>
2022 Series C-1:		
Serial bonds (4.00% to 4.15%), due 2033 - 2034	7,160	7,160
Term bonds (4.35%), due 2037	12,570	12,570
Term bonds (4.60%), due 2042	27,025	27,025
Term bonds (4.75%), due 2047	37,015	37,015
Term bonds (4.85%), due 2051	41,055	41,055
PAC bonds (5.00%), due 2053	25,000	25,000
	<u>149,825</u>	<u>149,825</u>
2022 Series C-2:		
Serial bonds (2.80% to 3.20%), due 2023 - 2025	3,780	3,780
	<u>3,780</u>	<u>3,780</u>
2022 Series D:		
Serial bonds (3.89% to 4.88%), due 2024 - 2032	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Total Single Family Fund	<u>\$ 1,023,710</u>	<u>\$ 820,845</u>

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<b>MBS Pass-thru Fund</b>	<b>Original Amount</b>	<b>Balance</b>
2012 Series 1		
Term bonds (3.029%), due 2038	\$ 73,532	\$ 7,523
2013 Series 1		
Taxable term bonds (3.027%), due 2041	62,674	10,100
2013 Series 2		
Taxable term bonds (4.038%), due 2036	51,839	8,139
2014 Series 1		
Taxable term bonds (4.050%), due 2038	28,667	3,885
Total MBS Pass-Thru Fund	<u>\$ 216,712</u>	<u>\$ 29,647</u>
Total Bonds Payable	<u>\$ 1,240,422</u>	<u>\$ 850,492</u>

The Single Family and MBS Pass-thru bonds are special obligations of the Authority. The bonds are payable solely from the revenues and assets pledged to the payment thereof pursuant to the Bond Trust Indentures.

The 2017 Series B-3 bond and 2017 Series C-3 bond mature on July 1, 2047, and are variable rate demand obligations (3.50% at December 31, 2022).

The following are the scheduled amounts of principal and interest payments on bond payable obligations in the five years subsequent to December 31, 2022 and thereafter (all amounts in thousands). The Authority typically has significant prepayments of principal amounts and, therefore, does not expect to make all interest payments in their scheduled amounts.

	<b>Single Family Fund</b>		<b>MBS Pass-thru Fund</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 15,270	\$ 26,963	\$ -	\$ 1,019	\$ 15,270	\$ 27,982
2024	19,300	28,273	-	1,019	19,300	29,292
2025	19,765	27,514	-	1,019	19,765	28,533
2026	19,620	26,714	-	1,019	19,620	27,733
2027	20,015	25,871	-	1,019	20,015	26,890
2028 - 2032	98,665	119,064	-	5,098	98,665	124,162
2033 - 2037	122,995	103,482	8,139	4,659	131,134	108,141
2038 - 2042	145,480	83,524	21,508	1,360	166,988	84,884
2043 - 2047	181,125	56,630	-	-	181,125	56,630
2048 - 2052	163,140	21,509	-	-	163,140	21,509
2053	15,470	642	-	-	15,470	642
	<u>820,845</u>	<u>520,186</u>	<u>29,647</u>	<u>16,212</u>	<u>850,492</u>	<u>536,398</u>
Original issue premium	33,029	-	753	-	33,782	-
	<u>\$ 853,874</u>	<u>\$ 520,186</u>	<u>\$ 30,400</u>	<u>\$ 16,212</u>	<u>\$ 884,274</u>	<u>\$ 536,398</u>

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The summary of bonds payable as of December 31, 2022 was as follows:

<b>Interest Rate Ranges</b>	<b>Maturity Range</b>	<b>Payment Range of Principal</b>	<b>Total</b>
0.5 - 5.0%	2023 - 2053	\$15,270 - \$44,095	\$ 850,492

***Changes in Obligations***

The following are changes in noncurrent liabilities of the Authority for the year ended December 31, 2022 (dollars in thousands):

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>December 31, 2022</b>	<b>Due Within One Year</b>	<b>Due Thereafter</b>
Bonds payable	\$ 590,872,020	\$ 376,030,000	\$ 116,409,592	\$ 850,492,428	\$ 15,270,000	\$ 835,222,428
Premium	29,369,663	8,966,055	4,553,905	33,781,813	-	33,781,813
Note payable	1,545,526	-	74,929	1,470,597	-	1,470,597
Net pension liability	1,435,852	3,891,831	902,227	4,425,456	-	4,425,456
Lease liability	5,161,528	3,306,873	469,224	7,999,177	719,750	7,279,427
Government advances	34,023,536	205,615	2,319,592	31,909,559	461,410	31,448,149
Total long-term obligations	<u>\$ 662,408,125</u>	<u>\$ 392,400,374</u>	<u>\$ 124,729,469</u>	<u>\$ 930,079,030</u>	<u>\$ 16,451,160</u>	<u>\$ 913,627,870</u>

Due to the nature of the net pension liability, which cannot be classified into the amounts due within one year, is included in due thereafter, and as such the related balance is reflected as a long-term obligation above.

The Single Family are subject to optional redemption provisions at various dates at 100 percent of the principal amount, extraordinary optional redemption at par from unexpended or uncommitted funds, prepayments of mortgage loans and proportionate amounts in certain related accounts or excess revenues. The Authority redeemed \$116,409,592 of bonds in 2022 from mortgage loan payments and prepayments. The bond redemptions resulted in write-offs of unamortized premium related to the redeemed bonds.

***Conduit Debt Obligations***

The Authority is authorized by law to issue conduit revenue bonds for the purpose of financing residential housing for persons and families of low and moderate income. Except as described below, the Authority's revenue bonds are payable solely from revenues of the Authority specifically pledged thereto. The bonds are not, in any respect, a general obligation of the Authority, nor are they payable in any manner from revenues raised by the Authority.

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The Authority has issued debt obligations on behalf of developers and certain 501(c) (3) organizations (the Debtors) for the purpose of acquiring and rehabilitating facilities for housing persons of low and moderate income. These bonds and the interest thereof do not constitute a debt or liability of the Authority, but are special obligations between investors and the debtors payable solely from the payments received by the trustee under the loan agreements and meet the definition of conduit debt in GASB Statement No. 91, *Conduit Debt Obligations*. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In addition, the Authority has not made any commitments associated with the bonds. At December 31, 2022, the Authority had outstanding conduit debt of \$347,158,137.

#### Note 7: Interest Rate Swap Agreements - Hedging Derivative Instruments

The Authority entered a swap arrangement with Bank of New York Mellon in 2018. The objective of the swap agreement(s) is to create, with respect to the 2017 Series B-3 Bonds in an amount totaling \$17,250,000 and the 2017 Series C-3 Bonds in an amount totaling \$15,525,000, an approximately fixed rate net obligation. Payments made to the Counterparty by the Authority under this swap agreement are made semi-annually, based on a notional principal amount and a fixed interest rate of 2.420% for 2017 Series B-3 and 2.495% for 2017 Series C-3. Payments received by the Authority from the Counterparty under the swap agreement bear interest at a variable rate calculated by reference to the 3 Month LIBOR Swap Index.

**Objective of the Swap:** The Authority entered the pay-fixed, receive-variable interest rate swap agreements as a strategy to maintain acceptable levels of exposure to the risk of future changes in the interest rate related to the existing variable rate debt. The primary intention of the swap agreements is to effectively convert the Authority's variable interest rates on its long-term debt to synthetic fixed rates.

**Terms, Fair Value and Credit Risk:** The terms, including, the fair value and credit rating of the outstanding swaps as of December 31, 2022, are as follows:

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating S&P/Moody's/Fitch
2017 Series B-3	\$ 17,250,000	1/1/2018	2.420%	70% 3 M LIBOR	\$ 1,441,664	7/1/2047	AA-/Aa2/AA
2017 Series C-3	15,525,000	7/1/2018	2.495%	70% 3 M LIBOR	1,128,338	7/1/2047	AA-/Aa2/AA
Total					<u>\$ 2,570,002</u>		

The Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions of the associated bonds.

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**Fair Value:** The fair values of the swap agreements are based upon a third party's discounted cash flow methodology pursuant to the guidance set forth in GASB No. 72, *Fair Value Measurement and Application*. These discounted cash flows consider the net present value of the future scheduled payments from each leg of the swap. For the floating leg of the swap, future coupon rates are estimated based on forward rates derived from the relevant interest rate swap yield curve date (e.g., LIBOR, SIFMA, etc.) as of the valuation date. The present value discounted factors applied to each future scheduled payment is determined by the LIBOR, or Overnight Index Swap, curve data using the zero-coupon method. A credit valuation adjustment is applied, which quantifies the nonperformance risk of both reporting entity as well as the counterparty.

The fair values of the swap agreements are classified as a noncurrent asset on the statement of net position of \$2,570,002 as of December 31, 2022. As the swap agreements are effective hedging instruments, the offsetting balance is reflected as a deferred inflow of resources on the Authority's balance sheet at December 31, 2022 of \$2,570,002.

**Credit Risk:** The fair value of each of the swap agreements represents the Authority's credit exposure to the counterparties as of December 31, 2022. Should the counterparties to these transactions fail to perform according to the terms of the swap agreements, the Authority has a maximum possible loss equivalent to the fair value at that date. As of December 31, 2022, the Authority was exposed to credit risk because the swap had a positive fair value. The Authority's exposure to credit risk is in the amount of the derivative instrument's fair value. If the credit ratings fall below the agreed upon threshold, the fair value of the swaps is to be fully collateralized with eligible securities (as defined in the Master Agreement) to be held by a third-party custodian on behalf of the Authority.

**Basis Risk:** The swap agreements expose the Authority to basis risk should the relationship between LIBOR and the rate set by the Authority's lender change in a manner adverse to the Authority. If an adverse change occurs in the relationship between these rates, the expected cost savings may not be realized.

**Termination Risk:** The Authority or the Counterparty may terminate the swap agreement if the other party fails to perform under the terms of the contract. If the swap agreement is terminated, the associated floating-rate bonds would no longer carry synthetic interest rates. Also, if at the time of the termination the fair value of the swap agreement is not positive, the Authority would be liable to the Counterparty for a payment equal to the swap agreement's fair value.

**Rollover Risk:** The Authority is exposed to rollover risk if the swap agreement matures or is terminated prior to the maturity of the associated debt. When the swap agreement terminates, the Authority will not realize the synthetic rate offered by the swap agreement on the underlying debt issue.

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**Swap Payments and Associated Debt:** As of December 31, 2022, debt service requirements of the Authority's hedged outstanding variable rate debt and net swap payments (assuming current interest rates remain the same for their term and bonds are called as the swap amortizes) are as follows:

	Principal	Interest	Net Swap Payments	Total
2023	\$ -	\$ 1,199,565	\$ (288,870)	\$ 910,695
2024	-	1,199,565	(288,870)	910,695
2025	-	1,199,565	(288,870)	910,695
2026	-	1,199,565	(288,870)	910,695
2027	-	1,199,565	(288,870)	910,695
2028 - 2032	-	5,997,825	(1,444,351)	4,553,474
2033 - 2037	1,050,000	5,978,610	(1,439,931)	5,588,679
2038 - 2042	14,955,000	4,277,351	(1,036,259)	18,196,092
2043 - 2047	16,770,000	1,580,388	(384,821)	17,965,567
Total	<u>\$ 32,775,000</u>	<u>\$ 23,831,999</u>	<u>\$ (5,749,712)</u>	<u>\$ 50,857,287</u>

**Note 8: Fair Value Measurements**

The Authority has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy as part of the implementation of GASB Statement No. 72. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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The three levels of the fair value hierarchy are described as follows:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.
- Level 2** Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Authority makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Authority for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2022.

**Money Market Fund Shares:** Valued at the published net asset value (NAV), as reported by each fund, of the shares held by the Authority at the reporting date. These funds are deemed to be actively traded.

**US Treasuries:** Valued using pricing models maximizing the use of observable inputs for similar securities.

**Federal Agency Obligations:** Valued using pricing models maximizing the use of observable inputs for similar securities.

**Interest Rate Swaps:** Valued by a third-party using models which include assumptions about the USD-SIFMA interest rate at the reporting date. The Authority uses the fair value provided by the third-party without adjustment. See Note 7.

For those assets and liabilities measured at fair value, management determines the fair value measurement policies. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Authority's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of these assets and liabilities could result in a different fair value measurement at the reporting date.

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Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Authority's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2022:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
Money market mutual funds	\$ 146,868,930	\$ 146,868,930	\$ -	\$ -
US Treasuries	11,607,583	11,607,583	-	-
Federal agency obligations	964,955,570	-	964,955,570	-
	<u>964,955,570</u>	<u>-</u>	<u>964,955,570</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 1,123,432,083</u>	<u>\$ 158,476,513</u>	<u>\$ 964,955,570</u>	<u>\$ -</u>
<b>Hedging Derivative Instruments</b>				
Interest rate swaps	\$ 2,570,002	\$ -	\$ -	\$ 2,570,002

**Note 9: Lease Liability**

The Authority leases furniture and office space, the terms of which expire in various years through 2032. The furniture lease accrues interest at 6.19%, and the building leases accrue interest at 5.75%.

Future principal and interest requirements to maturity for the lease liability as of December 31, 2022 are:

	Principal	Interest	Total
2023	\$ 719,750	\$ 439,710	\$ 1,159,460
2024	680,404	400,889	1,081,293
2025	735,463	360,329	1,095,792
2026	793,761	316,520	1,110,281
2027	855,502	269,268	1,124,770
2028 - 2032	4,214,297	530,245	4,744,542
	<u>\$ 7,999,177</u>	<u>\$ 2,316,961</u>	<u>\$ 10,316,138</u>



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**Note 10: Retirement Plan**

***Plan Description***

The Authority contributed to the Public Employees' Retirement Fund (PERF), which is administered by INPRS as a cost-sharing, multiple-employer defined benefit pension plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. The fund provides supplemental retirement benefits to Public Employees' Defined Benefit Account (PERF DB) members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice Plan) members.

New employees hired by the State or a participating political subdivision have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid Plan) or the My Choice Plan, which is covered in the Defined Contributions section below. A new hire that is an existing member of PERF Hybrid Plan and was not given the option for My Choice is given the option to elect My Choice Plan or remain in PERF Hybrid Plan. The PERF Hybrid Plan consists of two components: PERF DB, the employer-funded monthly defined-benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined-contribution component.

Effective January 1, 2018, funds previously known as annuity savings accounts (which were reported within defined-benefit funds) were re-categorized as defined contribution funds based on Internal Revenue Private Letter Rulings PLR-193-2016 and PLR-110249-18. PERF Defined Contribution member balances (previously known as annuity savings accounts) reported within PERF DB were transferred to the appropriate defined-contribution fund as of January 1, 2018.

***Retirement Benefits - Defined Benefit Pension***

A member who has reached age 65 and has at least ten years of creditable service, or eight years for certain elected officials, is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position, or only four quarters for an elected official. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

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A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was a COLA adjustment of 1.00% on January 1, 2022 and no additional adjustment on January 1, 2023.

The PERF Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

***Retirement Benefits - Defined Contribution Pension***

The My Choice Plan is a multiple employer defined contribution pension plan that serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members. New employees hired have a one-time election to join either the PERF Hybrid Plan or My Choice Plan, which both include defined-contribution funds.

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined-contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

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My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. The Authority does not currently offer My Choice to any of its employees. Members are 100 percent vested in all member contributions and vest in employer contributions in increments of 20% for each full year of service until 100% is reached at 5 years.

Investments are self-directed, members may make changes daily, and investments are reported at fair value. Market risk is assumed by the member, and the member may choose among the following eight investment options with varying degrees of risk and return potential: Stable Value Fund, Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Target Date Funds, and Money Market Fund.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.inprs.in.gov/>.

### ***Significant Actuarial Assumptions***

The total pension liability is determined by INPRS actuaries as part of their annual actuarial valuation for each defined-benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Asset valuation date:	June 30, 2022
Liability valuation date and method:	June 30, 2021 - Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Period of five years ended June 30, 2019
Investment rate of return:	6.25%
Cost of living adjustment:	Members were granted a 1.00% adjustment on January 1, 2022 and no adjustment on January 1, 2023. Thereafter, varies per year as follows: 2024 through 2033 - 0.40%, 2034 through 2038 - 0.50%, and 2039 and on - 0.60%.
Projected salary increases:	2.65% - 8.65%
Inflation:	2.00%

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The long-term return expectation for the defined-benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Public equity	20.0%	3.6%
Private equity	15.0%	7.7%
Fixed income - ex inflation linked	20.0%	1.4%
Fixed income - inflation linked	15.0%	-0.3%
Commodities	10.0%	0.9%
Real estate	10.0%	3.7%
Absolute return	5.0%	2.1%
Risk parity	20.0%	3.8%
Cash and cash overlay	-15.0%	-1.7%
	<u>100%</u>	

Total pension liability for the Plan was calculated using the discount rate of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent). Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the Plan.

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Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.25 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

<b>1% Decrease (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase (7.25%)</b>
\$ 7,476,217	\$ 4,425,456	\$ 1,880,901

***Investment Valuation and Benefit Payment Policies***

The pooled and nonpooled investments are reported at fair value by INPRS.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest from inactive, nonvested members' annuity savings accounts may be requested by members or auto-distributed by the fund when certain criteria are met.

***Funding Policy***

The State is obligated by statute to make contributions to the PERF Hybrid Plan or the My Choice Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the fiscal year ended June 30, 2022, all participating employers were required to contribute 11.2% of covered payroll for members employed by the State.

In October 2018, the funding policy was restated to incorporate changes up to that point, and additional edits were made to clarify current practice. In addition, 2018 SEA 373 introduced a new funding mechanism for postretirement benefit increases and restated the actuarially determined contribution. As a result, the funding policy was updated to be in compliance with the new statute.

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

At December 31, 2022, the Authority reported a liability of \$4,425,456 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2022 measurement date was 0.0014032.

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For the year ended December 31, 2022, the Authority recognized pension expense of \$887,020, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$321,166. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 95,429	\$ 16,831
Net difference between projected and actual earnings on pension plan investments	546,148	-
Changes in assumptions	599,967	189,336
Changes in proportion and differences between the Authority's contributions and proportionate share contributions	730,850	4,715
Authority's contributions subsequent to the measurement date	<u>572,149</u>	<u>-</u>
Total	<u><u>\$ 2,544,543</u></u>	<u><u>\$ 210,882</u></u>

The Authority reported \$572,149 as deferred outflows of resources that will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

2023	\$ 478,157
2024	627,359
2025	78,278
2026	<u>577,718</u>
Total future minimum payments	<u><u>\$ 1,761,512</u></u>

**Note 11: Commitments and Contingencies**

***Litigation***

The Authority is subject to various claims which arise primarily in the ordinary course of conducting its business. In management's opinion, the ultimate resolution of such matters will not have a material adverse effect on the Authority's financial position or its results of operations.

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***Investments***

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of net position.

***Excess Investment Earnings***

In order to preserve the exemption of federal and state income taxation on interest received by the bond holders, each bond issue is subject to certain Internal Revenue Code (IRC) and U.S. Treasury Regulations for arbitrage. Under these regulations, the Authority is required to pay the Federal government any excess earnings as defined by IRC Section 148(f) on all non-purpose investments if such investments were invested at a rate greater than the yield on the bond issue.

***Contingency***

The Authority has created an expense reserve in the General Fund of \$1.5 million to account for the potential liability to repay the US Department of Housing and Urban Development for a housing development that is currently in default of completion. The Authority is optimistic that this development will ultimately be completed. In the event it is completed the expense will be reversed.

**Note 12: Subsequent Events**

***Debt Issuance***

On January 26, 2023, the Authority issued \$97,645,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series A (2023 Series A Bonds). The 2023 Series A Bonds include serial bonds maturing through 2035, and term bonds, which mature in 2038, 2043, 2048, 2049, 2050 and PAC bonds due 2053. The 2023 Series A Bonds bear interest at rates ranging from 3.70% to 5.75%.

On April 12, 2023, the Authority issued \$148,755,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series B (2023 Series B Bonds). The 2023 Series B Bonds include serial bonds maturing through 2034, and term bonds, which mature in 2038, 2043, 2048, 2053 and PAC bonds due 2054. The 2023 Series B Bonds bear interest at rates ranging from 2.90% to 5.427%.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**Indiana Housing and Community Development Authority**  
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**Required Supplementary Information**  
**Schedule of the Authority's Proportionate Share of the Net Pension Liability**  
**Indiana Public Employee's Retirement Fund (PERF)**  
**Last 10 Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.14032%	0.10912%	0.10234%	0.10232%	0.09831%	0.09670%	0.10992%	0.09270%	0.09168%	0.06410%
Authority's proportionate share of the net pension liability	\$ 4,425,456	\$ 1,435,852	\$ 3,091,072	\$ 3,381,471	\$ 3,339,635	\$ 4,314,313	\$ 4,988,658	\$ 3,775,580	\$ 2,409,291	\$ 2,195,476
Authority's covered payroll	\$ 8,075,593	\$ 6,016,439	\$ 5,524,718	\$ 5,330,879	\$ 5,016,583	\$ 4,797,552	\$ 5,268,120	\$ 4,440,142	\$ 4,476,208	\$ 3,997,291
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%	54.9%
Plan fiduciary net position as a percentage of the total pension liability (a)	82.5%	92.5%	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%	74.3%

(a) 2013 - 2017 were adjusted to reflect defined benefit activity only due to split of the defined benefit/contribution plan effective January 1, 2018.

\* The amounts presented for each fiscal year were determined as of June 30.

**Notes to Schedule:**

**Benefit changes:** No changes.

**Changes of assumption:** No changes.

**Changes in actuarial methods:** No changes.

**Indiana Housing and Community Development Authority**  
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**Schedule of the Authority's Contributions**  
**Indiana Public Employee's Retirement Fund (PERF)**  
**Last 10 Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,101,307	\$ 697,724	\$ 636,878	\$ 632,393	\$ 588,395	\$ 538,661	\$ 528,036	\$ 475,408	\$ 508,439
Contributions in relation to the contractually required contribution	<u>1,101,307</u>	<u>697,724</u>	<u>636,878</u>	<u>632,393</u>	<u>588,395</u>	<u>538,661</u>	<u>528,036</u>	<u>475,408</u>	<u>508,439</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 9,836,244	\$ 6,247,065	\$ 5,686,451	\$ 5,646,363	\$ 5,253,524	\$ 4,809,471	\$ 4,719,016	\$ 4,244,707	\$ 4,664,251
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	10.9%

\* The amounts presented for each fiscal year were determined as of December 31. Ten years of information is required to be disclosed and will be added as the information becomes available.

**Notes to Schedule:**

**Benefit changes:** No changes.

**Changes of assumption:** No changes.

**Changes in actuarial methods:** No changes.

## **SUPPLEMENTARY INFORMATION**

**Indiana Housing and Community Development Authority**  
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**Supplementary Information**  
**Combining Schedule of Net Position**  
**December 31, 2022**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
<b>Assets and Deferred Outflows of Resources</b>					
<b>Current Assets</b>					
Cash and cash equivalents					
Unrestricted	\$ 34,006,187	\$ 33,026,663	\$ 43,137,871	\$ -	\$ 110,170,721
Restricted	1,000,000	296,830,073	60,249,595	60,642	358,140,310
Accrued interest receivable					
Investments	284,002	-	361,804	-	645,806
Investments held against bonds	-	-	2,743,911	84,967	2,828,878
Accounts and loans receivable, net	1,228,346	13,752,775	-	-	14,981,121
Total current assets	<u>36,518,535</u>	<u>343,609,511</u>	<u>106,493,181</u>	<u>145,609</u>	<u>486,766,836</u>
<b>Noncurrent Assets</b>					
Investments					
Unrestricted	95,352,326	-	32,279,997	-	127,632,323
Restricted	-	-	47,338,088	-	47,338,088
Investments held against bonds	-	-	772,134,294	29,458,448	801,592,742
Accounts and loans receivable, net	31,924	105,118,565	39,188,548	-	144,339,037
Derivative instrument - interest rate swap agreements	-	-	2,570,002	-	2,570,002
Capital assets, at cost, less accumulated depreciation	1,053,720	70,143	-	-	1,123,863
Leased assets, less accumulated depreciation	7,313,564	-	-	-	7,313,564
Interfund accounts	13,963,328	(10,342,915)	(3,620,413)	-	-
Total noncurrent assets	<u>117,714,862</u>	<u>94,845,793</u>	<u>889,890,516</u>	<u>29,458,448</u>	<u>1,131,909,619</u>
Total assets	<u>154,233,397</u>	<u>438,455,304</u>	<u>996,383,697</u>	<u>29,604,057</u>	<u>1,618,676,455</u>
<b>Deferred Outflows of Resources</b>					
Pension-related	2,544,543	-	-	-	2,544,543
Deferred refunding costs	-	-	-	907,994	907,994
Total deferred outflows of resources	<u>2,544,543</u>	<u>-</u>	<u>-</u>	<u>907,994</u>	<u>3,452,537</u>
Total assets and deferred outflows of resources	<u>\$ 156,777,940</u>	<u>\$ 438,455,304</u>	<u>\$ 996,383,697</u>	<u>\$ 30,512,051</u>	<u>\$ 1,622,128,992</u>
<b>Liabilities, Deferred Inflows of Resources and Net Positions</b>					
<b>Current Liabilities</b>					
Bonds payable	\$ -	\$ -	\$ 15,270,000	\$ -	\$ 15,270,000
Accrued interest payable	-	-	12,550,330	84,967	12,635,297
Unearned revenue	98,000	228,949,349	-	-	229,047,349
Government advances	-	461,410	-	-	461,410
Capital lease liability	719,750	-	-	-	719,750
Accounts payable and other liabilities	10,238,909	8,151,205	158,140	-	18,548,254
Total current liabilities	<u>11,056,659</u>	<u>237,561,964</u>	<u>27,978,470</u>	<u>84,967</u>	<u>276,682,060</u>
<b>Noncurrent Liabilities</b>					
Bonds payable	-	-	805,575,000	29,647,428	835,222,428
Original issue premium	-	-	33,028,779	753,034	33,781,813
Bonds payable, net	-	-	838,603,779	30,400,462	869,004,241
Notes payable	-	1,470,597	-	-	1,470,597
Pension liability	4,425,456	-	-	-	4,425,456
Government advances	-	31,448,149	-	-	31,448,149
Capital lease liability	7,279,427	-	-	-	7,279,427
Total noncurrent liabilities	<u>11,704,883</u>	<u>32,918,746</u>	<u>838,603,779</u>	<u>30,400,462</u>	<u>913,627,870</u>
Total liabilities	<u>22,761,542</u>	<u>270,480,710</u>	<u>866,582,249</u>	<u>30,485,429</u>	<u>1,190,309,930</u>
<b>Deferred Inflows of Resources</b>					
Pension-related	210,882	-	-	-	210,882
Accumulated increase in fair value of derivative	-	-	2,570,002	-	2,570,002
Total deferred inflows of resources	<u>210,882</u>	<u>-</u>	<u>2,570,002</u>	<u>-</u>	<u>2,780,884</u>
<b>Net Position</b>					
Net investment in capital assets	368,107	70,143	-	-	438,250
Restricted	1,000,000	145,220,703	55,072,187	26,622	201,319,512
Unrestricted	132,437,409	22,683,748	72,159,259	-	227,280,416
Total net position	<u>133,805,516</u>	<u>167,974,594</u>	<u>127,231,446</u>	<u>26,622</u>	<u>429,038,178</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 156,777,940</u>	<u>\$ 438,455,304</u>	<u>\$ 996,383,697</u>	<u>\$ 30,512,051</u>	<u>\$ 1,622,128,992</u>

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**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2022**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
<b>Revenues</b>					
Interest income					
Investments	\$ 2,309,047	\$ 280,524	\$ 4,084,728	\$ 1,078	\$ 6,675,377
Investments held against bonds	-	-	26,220,725	1,460,032	27,680,757
Loans	-	1,464,184	-	-	1,464,184
Fee income	5,460,377	-	-	-	5,460,377
Program income	1,380,141	730,380,010	-	-	731,760,151
Gain on sale of Next Home investments	2,972,951	-	5,332	-	2,978,283
Net decrease in fair value of investments	(3,261,242)	-	(70,832,266)	(3,919,771)	(78,013,279)
Other income	2,083,963	-	-	-	2,083,963
Total revenues	<u>10,945,237</u>	<u>732,124,718</u>	<u>(40,521,481)</u>	<u>(2,458,661)</u>	<u>700,089,813</u>
<b>Expenses</b>					
Investment expense (down payment assistance)	634,579	-	-	-	634,579
Loss on sale of investments	489,686	-	1,278,332	-	1,768,018
Interest expense	70,412	258,932	20,706,596	1,311,315	22,347,255
Issuance costs	-	-	3,503,855	-	3,503,855
Program expenses	1,535,748	674,923,108	1,179,613	-	677,638,469
General and administrative expenses	5,049,739	42,492,910	1,695,395	6,700	49,244,744
Total expenses	<u>7,780,164</u>	<u>717,674,950</u>	<u>28,363,791</u>	<u>1,318,015</u>	<u>755,136,920</u>
<b>Operating Income</b>	3,165,073	14,449,768	(68,885,272)	(3,776,676)	(55,047,107)
<b>Transfers</b>					
Interfund transfers	<u>378,436</u>	<u>(378,436)</u>	<u>148,917</u>	<u>(148,917)</u>	<u>-</u>
<b>Increase (decrease) in Net Position</b>	3,543,509	14,071,332	(68,736,355)	(3,925,593)	(55,047,107)
<b>Net Position, Beginning of Year</b>	<u>130,262,007</u>	<u>153,903,262</u>	<u>195,967,801</u>	<u>3,952,215</u>	<u>484,085,285</u>
<b>Net Position, End of Year</b>	<u>\$ 133,805,516</u>	<u>\$ 167,974,594</u>	<u>\$ 127,231,446</u>	<u>\$ 26,622</u>	<u>\$ 429,038,178</u>

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**Combining Schedule of Cash Flows**  
**Year Ended December 31, 2022**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
<b>Cash Flows From Operating Activities</b>					
Receipts for services	\$ 10,406,907	\$ -	\$ -	\$ -	\$ 10,406,907
Receipts for program revenue	1,432,141	888,264,590	-	-	889,696,731
Principal received on loans receivable	5,884	-	-	-	5,884
Interest received on investments	2,125,800	280,524	3,895,334	1,078	6,302,736
Interest received on investments held against bonds	-	-	20,479,829	1,293,547	21,773,376
Interest received on loans	-	1,464,184	-	-	1,464,184
Payments for program expenses	(1,535,748)	(859,966,533)	(1,179,613)	-	(862,681,894)
Interest paid on bonds and bank loans	(70,412)	(258,932)	(14,867,022)	(1,135,693)	(16,332,059)
Debt issuance costs incurred	-	-	(3,503,855)	-	(3,503,855)
Payments for suppliers and employees	1,229,438	-	(1,986,433)	(6,700)	(763,695)
Interfund activity	(4,922,701)	3,715,495	1,207,206	-	-
Net cash provided by (used in) operating activities	<u>8,671,309</u>	<u>33,499,328</u>	<u>4,045,446</u>	<u>152,232</u>	<u>46,368,315</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>					
Proceeds from bond issues	-	-	384,996,055	-	384,996,055
Repayments and redemption of bonds and bank loans	-	(74,929)	(109,330,001)	(7,079,592)	(116,484,522)
Transfers	378,436	(378,436)	148,917	(148,917)	-
Net cash provided by (used in) noncapital and related financing activities	<u>378,436</u>	<u>(453,365)</u>	<u>275,814,971</u>	<u>(7,228,509)</u>	<u>268,511,533</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchases of capital assets	(841,090)	(75,000)	-	-	(916,090)
Payments on capital lease	(469,224)	-	-	-	(469,224)
Net cash provided by (used in) capital and related financing activities	<u>(1,310,314)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(1,385,314)</u>
<b>Cash Flows From Investing Activities</b>					
Proceeds from sale and maturities of investments	8,059,375	-	41,760,262	-	49,819,637
Principal received on investments held against bonds	-	-	64,028,390	7,079,777	71,108,167
Purchases of investments held against bonds	-	-	(385,147,694)	-	(385,147,694)
Purchase of DPA loans	-	-	(22,412,645)	-	(22,412,645)
Purchase of investments	(63,895,211)	-	(57,252,506)	-	(121,147,717)
Net cash provided by (used in) investing activities	<u>(55,835,836)</u>	<u>-</u>	<u>(359,024,193)</u>	<u>7,079,777</u>	<u>(407,780,252)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(48,096,405)</u>	<u>32,970,963</u>	<u>(79,163,776)</u>	<u>3,500</u>	<u>(94,285,718)</u>
<b>Cash and Cash Equivalents, January 1</b>	<u>83,102,592</u>	<u>296,885,773</u>	<u>182,551,242</u>	<u>57,142</u>	<u>562,596,749</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 35,006,187</u>	<u>\$ 329,856,736</u>	<u>\$ 103,387,466</u>	<u>\$ 60,642</u>	<u>\$ 468,311,031</u>
<b>Cash and Cash Equivalents</b>					
Cash	\$ 22,478,811	\$ 298,933,016	\$ 30,274	\$ -	\$ 321,442,101
Money market investments	12,527,376	30,923,720	103,357,192	60,642	146,868,930
Total cash and cash equivalents	<u>\$ 35,006,187</u>	<u>\$ 329,856,736</u>	<u>\$ 103,387,466</u>	<u>\$ 60,642</u>	<u>\$ 468,311,031</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Supplementary Information**  
**Combining Schedule of Cash Flows (Continued)**  
**Year Ended December 31, 2022**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
<b>Noncash Transactions from Capital and Related Financing Activities</b>					
Issuance of capital lease obligation	\$ 3,306,873	\$ -	\$ -	\$ -	\$ 3,306,873
<b>Reconciliation of Change in Net Position to Net Cash</b>					
<b>Provided by Operating Activities:</b>					
Change in net position	\$ 3,165,073	\$ 14,449,768	\$ (68,885,272)	\$ (3,776,676)	\$ (55,047,107)
Adjustment to reconcile change in net position to net cash					
provided by (used in) operating activities:					
Net decrease in fair value of investments	3,261,242	-	70,832,266	3,919,771	78,013,279
Loss on sale of investments	489,686	-	1,273,000	-	1,762,686
Depreciation	1,128,190	52,411	-	-	1,180,601
Amortization of bond premium/discount	-	-	(4,366,856)	(187,048)	(4,553,904)
Changes in operating assets and liabilities:					
Accounts and loan receivable	(104,500)	109,835,025	-	-	109,730,525
Accrued interest receivable	(183,247)	-	(1,563,434)	20,563	(1,726,118)
Other assets	(4,922,701)	12,690,023	1,207,206	-	8,974,528
Deferred pension costs	(1,191,953)	-	-	-	(1,191,953)
Deferred refunding costs	-	-	-	196,185	196,185
Unearned revenue	52,000	41,189,004	-	-	41,241,004
Accounts payable and other liabilities	5,999,852	(142,602,926)	(291,038)	-	(136,894,112)
Accrued interest payable	-	-	5,839,574	(20,563)	5,819,011
Net pension liability	2,989,604	-	-	-	2,989,604
Deferred pension revenue	(2,011,937)	-	-	-	(2,011,937)
Government advances	-	(2,113,977)	-	-	(2,113,977)
Total adjustments	5,506,236	19,049,560	72,930,718	3,928,908	101,415,422
Net cash provided by (used in) operating activities	\$ 8,671,309	\$ 33,499,328	\$ 4,045,446	\$ 152,232	\$ 46,368,315

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**[Form of Bond Counsel Opinion]**

November 16, 2023

*Upon the issuance of the Bonds, Ice Miller LLP, Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:*

Indiana Housing and Community Development Authority  
Indianapolis, Indiana

The Bank of New York Mellon Trust Company, N.A., as Trustee  
Jacksonville, Florida

RE: Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series D-1 (Social Bonds) (Non-AMT) (the “2023 Series D-1 Bonds”), Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series D-2 (Social Bonds) (AMT) (the “2023 Series D-2 Bonds” and together with the 2023 Series D-1 Bonds, the “2023 Series D-1 and D-2 Bonds”), and Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series D-3 (Social Bonds) (Taxable) (the “2023 Series D-3 Bonds” and together with the 2023 Series D-1 and D-2 Bonds, the “Bonds”) issued pursuant to the 2016 Amended and Restated Indenture of Trust, dated as of June 1, 2016, between the Indiana Housing and Community Development Authority (hereinafter called the “Issuer”), and The Bank of New York Mellon Trust Company, N.A., as Trustee (hereinafter called the “Trustee”) as previously supplemented and amended and as further supplemented by the 2023 Series D Supplemental Indenture, dated as of November 1, 2023 (hereinafter collectively called the “Indenture”); Total Issue: \$134,610,000

Ladies and Gentlemen:

We have examined a certified transcript (the “Transcript”) of proceedings containing (1) the proceedings of the Issuer relating to the authorization, issuance and sale of the Bonds and the approval and execution of the Indenture; (2) the Issuer’s tax covenants and representations made in the Indenture and the tax covenants and representations made in the certificates and other documents of the Issuer, each dated this date (collectively, the “Tax Covenants”); (3) certificates showing execution, authentication and delivery of the Bonds and no litigation pending as of said date of delivery; and (4) an executed counterpart of the Indenture.

In delivering our opinion, we have relied upon our examination of the Transcript and other certificates and representations of the Issuer, certain public officials and others, including the Tax Covenants, and have not undertaken to verify any facts by independent investigation.

Based upon the foregoing and our review of such other information, papers, documents and laws as we believe necessary or advisable, we are of the opinion that:

1. The Indenture has been duly authorized, executed and delivered by the Issuer and assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Issuer.
2. The Indenture creates the valid pledge which it purports to create of the Revenues (as defined in the Indenture), the property recited in the Granting Clauses of the Indenture and the moneys and securities on deposit in any of the accounts established under the Indenture, including the investments thereof, subject to the application thereof to the purposes and on the conditions permitted by the Indenture. The perfection of

the pledge of the Revenues to the extent of cash proceeds may, however, require the physical possession of the cash proceeds by the Trustee.

3. The Bonds are legal, valid and binding obligations enforceable in accordance with the terms thereof, are payable from and secured on a parity with the bonds issued under the Indenture by a pledge of certain payments to be received by the Issuer and the Trustee pursuant to the Indenture, and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture on a parity with the bonds to be issued under the Indenture.
4. Under statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the tax exemption of interest from State of Indiana income tax.
5. Under existing federal statutes, decisions, regulations and rulings, the interest on the 2023 Series D-1 and D-2 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"). The interest on the 2023 Series D-1 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The interest on the 2023 Series D-2 Bonds will be treated as a specific preference item for purposes of the federal individual alternative minimum tax. However, for tax years beginning after December 31, 2022, such interest on the 2023 Series D-1 Bonds and 2023 Series D-2 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax.

This opinion is conditioned on continuing compliance by the Issuer with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the 2023 Series D-1 and D-2 Bonds to lose the excludability from gross income for federal income tax purposes retroactive to their date of issue. No opinion is expressed upon the consequences of owning the 2023 Series D-1 and D-2 Bonds under any other section of the Code.

State of Indiana Uniform Commercial Code Financing Statements have been filed in the offices of the Secretary of State of the State of Indiana with respect to the rights and interest of the Issuer and the Trustee in certain contract rights under the Indenture. Security interests perfected by the filing of Financing Statements are effective for a period of five years from the date of filing and the effectiveness of a filed Financing Statement in Indiana lapses on the expiration of a five-year period unless a continuation statement is filed within six months prior to the lapse.

It is to be understood that the rights of the owners of the Bonds, the Issuer and the Trustee and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be further understood that the rights of the owners of the Bonds, the Issuer and the Trustee and the enforceability of the Bonds and the Indenture may be subject to the valid exercise of the constitutional powers of the State of Indiana and the United States of America.

Very truly yours,

## SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

The Indenture, as amended, contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the Indenture for a full and complete statement of its provisions.

### **Indenture as Contract with Bondholders**

The provisions of the Indenture constitute a contract among the Authority, the Trustee and the holders from time to time of the Bonds. The pledges and assignments made by the Indenture and the provisions, covenants and agreements in the Indenture to be performed by or on behalf of the Authority are for the equal benefit, protection and security of all holders of the Bonds, each of which, regardless of the time of its issue or maturity, is of equal rank without preference, priority or distinction over any other thereof (except as expressly provided in the Indenture).

### **Transfers and Exchanges**

The registered owner of any Bond may, upon surrender thereof at the corporate trust operations office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee and duly executed by the owner thereof or his duly authorized attorney, transfer or exchange such Bond for an equal aggregate principal amount of Bonds of the same series and maturity of any authorized denomination. The Trustee and the Paying Agent (individually, a “Fiduciary” and, collectively, the “Fiduciaries”) and the Authority may deem and treat the person in whose name any Bond is registered upon the books of the Authority as the absolute owner of such Bond, for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, and interest on such Bond, for notices required under the Indenture and for all other purposes. The Authority or the Trustee may charge a person requesting a transfer or exchange of any Bonds an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and, except as provided in the Indenture, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer or exchange. The Authority is not obligated to make any such transfer or exchange of Bonds: (i) during the ten days preceding an interest payment date for such Bonds, (ii) during the ten days preceding the date of first publication of notice of any proposed redemption of Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption.

For so long as the 2023 Series D Bonds are registered in the name of DTC or its nominee, the Trustee will transfer and exchange 2023 Series D Bonds only on behalf of DTC or its nominee, in accordance with the preceding paragraph. Neither the Authority, the Trustee nor the Paying Agent will have any responsibility for transferring or exchanging any Beneficial Owner’s interest in any 2023 Series D Bonds. See “BOOK-ENTRY ONLY SYSTEM.”

### **Provisions for Issuance of Bonds**

The Indenture authorizes Bonds to be issued, authenticated and delivered from time to time in accordance with its terms only upon receipt by the Trustee of, among other things:

- (1) A copy of an indenture supplemental to or amendatory of the Master Indenture (a “Supplemental Indenture”) authorizing such series of Bonds, certified by an Authorized Officer, which specifies the terms and provisions of such Bonds;
- (2) An opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Authority and satisfactory to the Trustee (a “Bond Counsel’s Opinion”), to the effect, among other things, that such Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, including the Act as amended to the date of such opinion, and in accordance with the Indenture;

- (3) The amount of the proceeds of such Bonds to be deposited in the Accounts held by the Trustee under the Indenture;
- (4) A certificate of an Authorized Officer stating that conditions for the issuance of additional Bonds have been met (see “Additional Bonds”); and
- (5) A Positive Statement of Projected Cash Flow, dated as of the date of delivery of such Bonds, giving effect to the proposed issuance of such Bonds; and evidence from each Rating Agency then rating the Bonds that such issuance will not adversely affect the existing rating on the Bonds.

### **Provisions for Refunding Issues**

Refunding Bonds may be issued to refund any outstanding Bonds. Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee of:

- (i) irrevocable instructions to the Trustee to give, within 30 days of the issuance of the Refunding Bonds, due notice to the holders of the Bonds to be refunded of the deposit of the funds and Investment Securities described in (iii) below, the payment or redemption of all the Bonds to be refunded and the payment or redemption dates, if any, upon which such Bonds are to be paid or redeemed;
- (ii) if the Bonds to be refunded are to be redeemed subsequent to the next succeeding 45 days, irrevocable instructions to disseminate notice of redemption of such Bonds on a specified date prior to their redemption date; and
- (iii) either (a) moneys sufficient to effect payment or redemption at the applicable redemption price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date, or (b) direct obligations of or obligations guaranteed by the United States of America, the principal of and interest on which when due (without reinvestment thereof), together with any moneys deposited with the Trustee, will be sufficient to pay when due such principal or redemption price of the Bonds to be refunded and accrued interest thereon.

Any such moneys and obligations will be irrevocably held in trust in the Redemption Account for such payment by the Trustee or the Paying Agent.

Neither such moneys or obligations so held by the Trustee or principal or interest payments on any such obligations may be withdrawn or used for any purpose other than the payment of the applicable principal or redemption price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date. Any cash received from such principal or interest payments, if not then needed for the purpose of paying the principal or redemption price and accrued interest on the Bonds to be refunded, will, to the extent practicable, be reinvested in such obligations at times and in amounts sufficient to pay when due the principal or applicable redemption price of such Bonds, together with such accrued interest. However, amounts received on account of any portion of the principal or interest on such obligations so held by the Trustee which are in excess of the amounts required to provide moneys sufficient to pay when due the applicable principal installments or redemption price of the Bonds to be refunded, together with interest on such Bonds, may be pledged by the Authority and withdrawn by the Authority as received and applied to any purpose of the Authority, free and clear of the lien of the pledge of the Indenture.

### **Additional Bonds**

Additional series of Bonds may be issued as provided in the Indenture on parity with the Bonds of all other series, secured by an equal charge and lien on the Revenues and assets pledged under the Indenture and payable equally therefrom. No such additional series of Bonds may be issued unless:

- (i) the principal amount of all Bonds issued or to be issued will not exceed any limitation imposed by law;

- (ii) the provisions for the issuance of Bonds (see “Provisions for Issuance of Bonds”) and, in the case of Refunding Bonds, the provisions for the issuance of Refunding Bonds (see “Provisions for Refunding Issues”) have been complied with; and
- (iii) except in the case of Refunding Bonds, the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture.

Other than Additional Bonds, the Authority is not permitted to issue any obligations or create any indebtedness which will be secured by a superior or equal charge or lien on the Revenues and assets pledged under the Indenture. The Authority has reserved the right to issue other obligations not secured under the Indenture.

### **Application of Bond Proceeds**

Upon the delivery of each series of Bonds, other than Refunding Bonds, an amount is required to be deposited in the Loan Account or Revenue Account for payment of costs of issuance and interest on the Bonds or as otherwise provided in the Indenture. Amounts in the Loan Account may not be expended and applied for the financing of a Mortgage Loan (other than Mortgage Loans which are Mortgage Certificates) unless the Mortgage Loan has been made for residential housing for occupancy by lower and moderate income persons and families as determined by the Authority under the Program Guide.

### **Establishment of Accounts**

The Indenture establishes the following Accounts, all of which are held in trust for application only in accordance with the Indenture:

- (a) Loan Account
- (b) Revenue Account,
- (c) Redemption Account, and
- (d) Purchase Fund.

The Authority may from time to time establish subaccounts in each of such Accounts for the purpose of maintaining adequate records as may be necessary or desirable to comply with covenants contained in the Indenture.

### **Loan Account**

In addition to proceeds of a series of Bonds, amounts are required to be deposited in the Loan Account from the Revenue Account under certain circumstances as more fully described below under “Revenue Account.” Amounts in the Loan Account may be expended only to finance Mortgage Certificates consisting of pools of Mortgage Loans, to pay Costs of Issuance and to make deposits in the Revenue Account representing capitalized interest as provided in a Supplemental Indenture. In addition, amounts in the Loan Account may be transferred to the Revenue Account at the direction of the Authority. In addition, at the direction of the Authority, the Trustee may transfer amounts from the Loan Account to the Redemption Account or apply such amounts directly to the redemption or purchase of Bonds at any time that such Bonds are subject to redemption from such amounts.

### **Revenue Account**

All Revenues are to be deposited promptly with a bank or trust company, savings and loan association or national banking association selected by the Authority or the Trustee as a depository of moneys or securities held under the provisions of the Indenture (a “Depository”), and transmitted promptly to the Trustee for deposit in the Revenue Account. The Trustee is required to make the following payments out of the Revenue Account to the Paying Agent: (i) on or before each interest payment date, the amounts required for the payment of Principal Installments, if any, and interest due on the outstanding Bonds on such date and (ii) on or before the redemption date or date of

purchase, the amounts required for the payment of accrued interest on the outstanding Bonds to be redeemed or purchased for retirement, unless such interest is otherwise provided for. The Trustee shall also pay out of the Revenue Account any Swap Payments that are on parity with the payment of Debt Service due on the Bonds.

Prior to the 45<sup>th</sup> day preceding the due date of any sinking fund payment, the Trustee may, and if so directed by the Authority must, apply any amount accumulated in the Revenue Account up to the unsatisfied balance of such sinking fund payment (together with amounts accumulated in the Revenue Account with respect to interest on the Bonds for which such sinking fund payment was established) as follows: (i) to the purchase of the Bonds for which such sinking fund payment was established, at prices not exceeding the redemption price for such Bonds if they are redeemable by application of the sinking fund payment plus unpaid interest accrued to the date of purchase; or (ii) to the redemption of such Bonds if then redeemable by their terms at the redemption price referred to in clause (i) above. Upon such purchase or redemption of any Bond, an amount equal to the principal amount of the Bond so purchased or redeemed will be credited toward the next sinking fund payment thereafter to become due with respect to Bonds of such series and maturity. The excess of the amounts so credited will be credited by the Trustee against future sinking fund payments, unless otherwise directed by an Authorized Officer.

As soon as practicable after the 45<sup>th</sup> day preceding the due date of any sinking fund payment, the Trustee will proceed to call for redemption on such due date Bonds of the series and maturity for which such sinking fund payment was established in a principal amount equal to the amount of such sinking fund payment reduced by crediting thereto the principal amount of the Bonds purchased or redeemed as described above. The Trustee is required to call such Bonds for redemption whether or not it then has moneys in the Revenue Account sufficient to pay the applicable redemption price on the redemption date.

Within 180 days after the close of each Fiscal Year, the Authority will deliver to the Trustee a Statement of Projected Cash Flow and a certificate of an Authorized Officer expressing a direction for the retention or use of any funds in the Revenue Account. Such certificate may direct the Trustee to transfer from the Revenue Account, funds for the following purpose: (i) to the Loan Account, an amount sufficient to cause the outstanding principal amount of Mortgage Loans, together with Investment Securities and cash credited to the Loan Account, to be at least equal to 103% of the principal amount of Outstanding Principal Asset Bonds or such other amount the Authorized Officer shall direct; (ii) for payment of any unpaid Swap Payment or termination fees on Derivative Agreements other than those payable on parity with payment of Debt Service on Bonds; (iii) for payment of Program Expenses or (iv) upon satisfaction of the 103% test set forth in (i) above, to the Authority free and clear of the lien of the pledge of this Indenture.

The Trustee may at any time make transfers from the Revenue Account, upon the written direction of an Authorized Officer, to the Loan Account or the Redemption Account for the purposes of such Accounts or to the general operating funds of the Authority for the purpose of paying reasonable and necessary Program Expenses for the then current Fiscal Year. In addition to transfers for authorized purposes, the Trustee may at any time make transfers from the Revenue Account, upon the written direction of an Authorized Officer, for the purpose of paying the Administrative Fee and reasonable and necessary Program Expenses for the then current Fiscal Year. Except for transfers to pay such Program Expenses and Administrative Fee, however, no such transfer will be made unless there is on deposit in the Revenue Account after such transfer an amount equal to the Aggregate Debt Service accrued on all outstanding Bonds as of the date of such transfer.

The Authority shall promptly deposit into the Revenue Account all Swap Payments and termination fees received by the Authority with respect to any Derivative Agreement.

### **Redemption Account**

There are to be deposited in the Redemption Account any amounts required by the Indenture to be so deposited and any other amounts available therefor and determined by the Authority to be deposited therein. Subject to the provisions of the respective series of Bonds and of the resolution authorizing the issuance thereof and authorizing the issuance of Refunding Bonds, all amounts deposited in the Redemption Account will be applied to (i) the purchase or redemption of Bonds at the earliest practicable redemption date or (ii) to the payment of the Principal Installments of or interest on the Bonds to the extent such amounts have not been made the subject of a notice of redemption. Except as otherwise may be required in connection with the issuance of Refunding Bonds, at any time

before the 45<sup>th</sup> day prior to the day upon which Bonds are to be paid or redeemed from such amounts, the Trustee may apply amounts in the Redemption Account to the purchase of any such Bonds, except that the Authority may require or prohibit such purchases in the discretion of the Authority. The purchase price paid may not exceed the principal amount of such Bonds unless such Bonds may be redeemed within 13 months after such purchase, in which event such price may not exceed the highest redemption price payable on any such date upon the redemption of such Bonds. If the Trustee is able to purchase Bonds at a price less than the redemption price at which such Bonds were to be redeemed, the Trustee is required to deposit in the Revenue Account the difference between such purchase price and such redemption price.

### **Purchase Fund**

The Authority may provide for the deposit of moneys to and use of the moneys in the Purchase Fund or any account thereof, in connection with the issuance of any variable rate Bonds to the extent required by the provisions of any Supplemental Indenture authorizing the issuance of such Bonds.

### **Investment Securities**

Moneys in any account will be continuously invested and reinvested or deposited and redeposited in Investment Securities, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. See “APPENDIX F: CERTAIN DEFINITIONS” attached hereto.

Except as provided in the Indenture, in computing the amount in any Account, obligations purchased as an investment of moneys therein will be valued at par if purchased at par value or at amortized value if purchased at other than par value. Valuation will be made on January 1 and July 1 of each year and otherwise as required under the Indenture, and on any particular date will not include the amount of interest then earned or accrued to such date on any deposit or investment.

### **Statements of Projected Cash Flow**

***Requirements as to Preparation and Filing.*** The Authority is required to prepare and file with the Trustee annually and with the Rating Agency then rating the Bonds a Statement of Projected Cash Flow in connection with the issuance of Additional Bonds.

***Form of Statement.*** A Statement of Projected Cash Flow will consist of a written statement prepared or verified by a firm having experience in preparation of mortgage revenue bond cash flows that is acceptable to the Rating Agency then rating the Bonds, setting forth for the then-current and each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding a projection of:

- (1) The Revenues projected to be received with respect to the Bonds;
- (2) The interest to be earned and other income which the Authority projects to be derived from the investment of the Accounts and the rates or yields used in projecting such amounts with respect to the Bonds;
- (3) Money held or projected to be held in any other Account available for payment of Debt Service on the Bonds or Program Expenses;
- (4) The Debt Service on the Bonds and parity Swap Payments projected to be due during such fiscal year; and
- (5) The Authority’s Program Expenses and the Administrative Fee permitted by each Supplemental Indenture with respect to the Bonds.

A Statement of Projected Cash Flow will set forth the projections under the following circumstances:

- (1) In projecting Prepayments of Mortgage Loans for the purposes of (1) above, the Authority will make such assumptions as are required by the Rating Agency then rating the Bonds;
- (2) The assumption that all amounts held in the Accounts will be invested at a rate equal to the lesser of the passbook savings rate then in effect or such other assumed rate as may be acceptable to the Rating Agency then rating the Bonds; provided, however, that, to the extent that such amounts are invested in Investment Securities that bear interest at a specified rate (or minimum rate) for a specified period of time, such rate (or minimum rate) may be assumed for such specified period of time;
- (3) Such other assumptions as may be required by or as may be consistent with the Supplemental Indentures applicable to the Bonds expected to be Outstanding during the period covered by such statement (which will include assumptions as to the method of selecting the Bonds for redemption and the application of Mortgage Loan principal payments held in the Revenue Account); and
- (4) In making any Statement of Projected Cash Flow the Authority may contemplate: (i) the expenditure of amounts in the Loan Account for the financing of Mortgage Loans in accordance with the Authority's reasonable expectations at the time the Statement is made; (ii) the transfer of moneys from one Account to another Account if such transfer is or will be permitted in accordance with the Indenture; (iii) the payment or redemption of the Bonds if such payment or redemption is or will be permitted in accordance with the Indenture; and (iv) the transfer of moneys among the various Accounts from time to time by the Authority to the extent the Authority reasonably expects such amounts to be available for such transfer.

The Statement of Projected Cash Flow will be based upon the assets held by the Trustee as of a date no more than 120 days prior to the date of such Statement or otherwise such Statement of Projected Cash Flow will be based on a reasonable estimate of such assets held by the Trustee as of the date of the Statement of Projected Cash Flow. The Authority will also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Accounts, amounts to be applied to the redemption or payment of Bonds and amounts to be used to provide for Costs of Issuance and capitalized interest for the Bonds. In projecting the amounts set forth above, the Authority will set forth its assumptions (which, in the opinion of the Authority, must be reasonable) of the interest rates and yields that Mortgage Loans or Investment Securities may be financed or purchased and the terms to maturity with respect thereto, fund and Account balances, Program Expenses, redemption, or any other action or event which is necessary or desirable for such purpose.

In the event the interest rate on any Bond is, at the time of calculation, not determined for the term of the Statement of Projected Cash Flow, interest rates on such Bond will be determined by a certificate of the Authority estimating such interest rate in the manner used in securing the required rating on such Bonds from the Rating Agency rating such Bonds.

***Disposition of Mortgage Certificates.*** Except as provided in a Supplemental Indenture, the Authority may sell, assign or otherwise dispose of a Mortgage Certificate in order to obtain funds to provide for the redemption or purchase of such Bonds.

### **Powers as to Bonds and Pledges**

The Authority covenants that it is duly authorized pursuant to law to authorize and issue the Bonds and to enter into, execute and deliver the Indenture and to pledge the Revenues and assets purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture.

### **Tax Covenants**

The Authority covenants that it will at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds (except for interest paid on Bonds originally issued as obligations, the interest on which is included in gross income for federal tax purposes) will, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation. However, the Authority



may elect to issue Bonds the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such Bonds.

### **Accounts and Reports**

The Authority covenants that it will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the Mortgage Loans and all Accounts established by the Indenture which will at all reasonable times be subject to the inspection of the Trustee and any holder of an aggregate of not less than 5% in principal amount of Bonds then outstanding or their representatives duly authorized in writing.

On or before the 25<sup>th</sup> day of each month or as soon as practicable thereafter, the Trustee will submit to the Authority a statement of account for the preceding month setting forth the amount received as Revenues during such month.

The Authority will, within 180 days after the close of each Fiscal Year, file with the Trustee (i) an annual report for such Fiscal Year, setting forth its operations and accomplishments during such Fiscal Year and (ii) financial statements of the Authority for such Fiscal Year setting forth in reasonable detail: (a) a statement of revenues and expenses in accordance with the categories or classifications established by the Authority for its operating and program purposes and showing the revenues and expenses of the Programs during such fiscal year, (b) the balance sheet for the Authority and its programs, showing the assets and liabilities of the Programs at the end of such Fiscal Year, and (c) a statement of changes in financial position, including changes in financial position of the Programs, as of the end of such Fiscal Year. Any such financial statements may be combined with financial statements for other programs and purposes of the Authority so long as financial statements are consistent with the requirements of the Indenture and satisfactory to the Trustee. The financial statements will be accompanied by the certificate of such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by the Authority and satisfactory to the Trustee (an "Accountant"), stating that the financial statements examined present fairly the financial position of the Authority at the end of the Fiscal Year, the results of its operations and the changes in financial position for the period examined, in conformity with generally accepted accounting principles on a consistent basis except for changes with which such Accountant concurs. A copy of each such annual report will be mailed promptly thereafter by the Authority to any Bondholder who, by written request, has filed his name and address with the Authority for such purposes unless the Authority shall have posted the report on its website or on the Municipal Securities Rulemaking Board's EMMA system.

### **Budgets**

The Authority will adopt an annual budget covering its fiscal operations for the succeeding Fiscal Year not later than the first day of each Fiscal Year. The annual budget will at least set forth for such Fiscal Year the estimated Revenues, the Principal Installments and the amount of interest due and payable or estimated to become due and payable during such Fiscal Year, and estimated total Program Expenses. The Authority at any time may adopt and file with the Trustee an amended annual budget for the remainder of the then current Fiscal Year in the manner provided in the Indenture for the adoption of the annual budget. Copies of the annual budget and any amended annual budget will be made available by the Authority during normal business hours in the Authority's office for inspection by any Bondholder; unless such budget shall have been posted on its website or on EMMA.

### **Single Family Mortgage Program**

In order to pay the Principal Installments, redemption price, if any, of and interest on the Bonds and Program Expenses, the Authority will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, with the provisions of the Indenture and with sound banking practices and principles, (i) use and apply the proceeds of the Bonds (to the extent not reasonably or otherwise required for other purposes of the Programs) to finance Mortgage Loans pursuant to the Act and the Indenture, (ii) do all such acts and things necessary to receive and collect Revenues, and (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority to protect its rights with respect to the Mortgage Certificates held under the Indenture.

The Authority further covenants to at all times appoint, retain and employ competent personnel for the purposes of carrying out its programs, and to duly and properly service all Mortgage Loans and to enforce the payment of principal and interest and all escrow payments, or to cause such servicing to be done by a servicer evidencing the capacity and experience necessary to adequately service the Mortgage Loans.

### **Events of Default**

It is an “Event of Default” if the Authority fails to:

- (i) pay the principal or redemption price, if any, on any Bond when and as the same becomes due, whether at maturity or upon call for redemption or otherwise;
- (ii) pay any installments of interest on any of the Bonds within 30 days after the same becomes due; or
- (iii) perform, observe or otherwise comply with any of the covenants, agreements, provisions or conditions on its part contained in the Indenture or the Bonds, and such failure continues for a period of 45 days after written notice thereof to the Authority by the Trustee or the holders of not less than 25% in principal amount of the outstanding Bonds.

The Trustee will give to the Bondholders notice of each Event of Default under the Indenture known to the Trustee within 90 days after actual knowledge by the Trustee of the occurrence thereof, unless such Event of Default has been remedied or cured before the giving of such notice. However, except that in the case of default in the payment of the principal or redemption price, if any, or interest on any of the Bonds, or the making of any payment required to be made into the Loan Account, the Trustee may withhold such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interest of the Bondholders. Each such notice will be given by mail to all holders of Bonds.

### **Remedies**

Upon the happening and continuance of any Event of Default specified in clauses (i) and (ii) under the heading “Events of Default,” the Trustee must proceed, or, upon the happening and continuance of any Event of Default specified in clause (iii) under the heading “Events of Default,” the Trustee may proceed and, upon written request by the holders of not less than 25% in principal amount of the outstanding Bonds, must proceed, in its own name, subject to its right to indemnification and other provisions of the Indenture, to protect and enforce the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights:

- (a) by suit, action or proceeding in law or in equity, to enforce all rights of the Bondholders, including the right to require the Authority to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loans and to require the Authority to carry out any other covenants and agreements with Bondholders and to perform its duties under the Act;
- (b) by bringing suit upon the Bonds;
- (c) by action or suit in equity, to require the Authority to account as if it were the trustee of an express trust for the holders of the Bonds;
- (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds;
- (e) by declaring all Bonds due and payable, and, if all defaults are cured, then, with the written consent of the holders of not less than 25% in principal amount of the outstanding Bonds, by annulling such declaration and its consequences; or

- (f) in the event that all outstanding Bonds are declared due and payable, by selling the Mortgage Certificates and, to the extent permitted by the Indenture, any Investment Securities securing such Bonds.

If, upon the happening and continuance of any Event of Default, the funds held by the Trustee and Paying Agent are insufficient for the payment of the principal or redemption price, if any, and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other amounts received or collected by the Trustee, after making provision for the payment of expenses necessary in the opinion of the Trustee to protect the interest of the holders of the Bonds and for the payment of charges and expenses and liabilities incurred and advances made by the Trustee or the Paying Agent in the performance of their respective duties under the Indenture, will be applied as follows:

- (1) Unless the principal of all of the Bonds has become or been declared due and payable:

First: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity thereof, and, if the amounts available are not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

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

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

### **Limitation on Rights of Bondholders**

No holder of any Bond may institute any suit, action, mandamus or other proceeding in equity or at law under the Indenture, or for the protection or enforcement of any right under the Indenture, unless such holder has given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than 25% in principal amount of the Bonds then outstanding have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, has occurred, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted to it under the Indenture or the law or to institute such action, suit or proceedings in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against costs, expenses and liabilities to be incurred therein and thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the Indenture with respect to defaults and remedies affects or impairs the right of any Bondholder to enforce the payment of the principal of and interest on his Bonds or the obligation of the Authority to pay the principal of and interest on each Bond issued under the Indenture to the holder thereof at the time and place in said Bond expressed.

### **Compensation of Trustee**

The Authority will pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and each Fiduciary has a lien therefor on any and all funds at any time held by it under the Indenture.

## **Removal of Trustee**

The Trustee will be removed by the Authority if at any time upon thirty (30) days' notice so requested by the holders of a majority in principal amount of the Bonds then outstanding, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as the Authority may determine in its sole discretion. In either such event, the Authority will appoint a successor Trustee. Any such successor Trustee must be a trust company or bank having the powers of a trust company and having capital, surplus and undivided profits of at least \$50,000,000 if there be such an institution willing, authorized and able to so act.

## **Powers of Amendment**

The Indenture permits the Authority to enter into Supplemental Indentures, without the consent of any Bondholder, in order:

- (i) to close the Indenture against, or provide additional limitations and restrictions on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;
- (ii) to add covenants, agreements, limitations or restrictions to be observed by the Authority which are not contrary to or inconsistent with the Indenture as then in effect;
- (iii) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Indenture;
- (iv) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created by, the Indenture, of the Revenues or of any other revenues or assets;
- (v) to modify any of the provisions of the Indenture in any respect if such modification is effective after all Bonds outstanding at the time such modification is made are no longer outstanding;
- (vi) to authorize the issuance of Bonds of a series and, in connection therewith, to specify and determine all matters concerning the issuance of such Bonds which are not inconsistent with the Indenture; or
- (vii) to amend the Indenture in any manner provided that the Authority shall first deliver to the Trustee a Certificate of the Authority to the effect that such amendment, in the judgment of the Authority, does not adversely affect the rating assigned to the Bonds by each Rating Agency then rating the Bonds.

The Indenture also permits the Authority to enter into Supplemental Indentures with the consent of the Trustee, but without the consent of any Bondholder, in order:

- (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;
- (ii) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (iii) to provide for additional duties of the Trustee in connection with the Mortgage Loans; or
- (iv) to amend or modify the Indenture in any manner which in the reasonable opinion of the Trustee does not adversely affect in any material respect the security of the Bondholders.

Any modification of or amendment to the Indenture or of the rights and obligations of the Authority and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent of:

- (i) the holders of at least a majority in principal amount of the outstanding Bonds;
- (ii) in case less than all of the several series of Bonds are affected by the modification or amendment, the holders of at least a majority in principal amount of the outstanding Bonds of each series so affected; or
- (iii) in case the modification or amendment changes the terms of any sinking fund payment, the holders of at least a majority in principal amount of the outstanding Bonds of the particular series and maturity entitled to such sinking fund payment.

However, if any such modification or amendment will not take effect so long as any Bonds of any specified maturity remain outstanding, the consent of the holders of such Bonds is not required. No modification or amendment will permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall any modification or amendment provide for a consent of less than all of the affected classes of Bonds with respect to any modification or amendment described in this sentence. A series will be deemed to be affected by such a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such series, as determined by the Trustee in its sole discretion.

The terms and provisions of the Indenture and the rights and obligations of the Authority and of the holders of the Bonds may be modified or amended in any respect upon the entering into of a Supplemental Indenture and the consent of the holders of all the Bonds then outstanding, but no such modification or amendment may change or modify any of the rights or obligations of any Fiduciary without the written assent thereto of such Fiduciary. In the event any modification or amendment to the Indenture affects a single series of Bonds or in case less than all of the several series of Bonds then outstanding are affected by the modification or amendment, the terms and provisions of the Indenture and the rights and obligations of the Authority and of the holders of such Bonds may be modified or amended in any respect upon the entering into of a Supplemental Indenture with the consent of the holders of the Bonds so affected. If the series of Bonds so affected has not yet been issued, any such modification or amendment may be included in the Supplemental Indenture authorizing the issuance of such series of Bonds and the holders thereof, by purchasing such Bonds, will be deemed for all purposes to have consented thereto. If the series of Bonds so affected is already outstanding, the consent of all holders of such series of Bonds must be given. However, no modification or amendment which changes or modifies any of the rights or obligations of any Fiduciary may be made without the written assent thereto of such Fiduciary or, in the case of an amendment or modification made prior to or contemporaneously with the issuance of an affected series of Bonds, execution and delivery of the Supplemental Indenture effecting such change or modification.

### **Defeasance**

If the Authority pays or causes to be paid to the holders of the Bonds the principal and interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any Revenues and other moneys, securities, funds and property thereby pledged and all other rights granted thereby will be discharged and satisfied. All Bonds will, prior to their maturity or redemption date, be deemed to have been so paid if:

- (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority has given to the Trustee irrevocable instructions to give notice of redemption on said date of such Bonds;
- (ii) there has been set aside and are held in trust by the Fiduciaries either moneys in an amount which is sufficient, or direct obligations of or obligations guaranteed by the United States of America, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal or redemption price, if any, of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and

- (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority has given the Trustee irrevocable instructions to mail, as soon as practicable a notice to the holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds.

Neither the obligations or moneys so deposited with the Trustee nor principal or interest payments on any such obligations may be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or redemption price, if any, of and interest on said Bonds, but any cash received from principal or interest payments on such obligations so deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable, be reinvested in direct obligations of or obligations guaranteed by the United States of America maturing at times and in amounts sufficient to pay when due the principal or redemption price, if any, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

## CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This UNDERTAKING AGREEMENT (the “Agreement”) is made as of this 16<sup>th</sup> day of November, 2023, by the Indiana Housing and Community Development Authority (the “Obligor”) for the purpose of permitting J.P. Morgan Securities LLC, as representative of the underwriters (the “Underwriters”) to purchase the Obligor’s Single Family Mortgage Revenue Bonds, 2023 Series D-1 (Social Bonds) (Non-AMT), Single Family Mortgage Revenue Bonds, 2023 Series D-2 (Social Bonds) (AMT) and Single Family Mortgage Revenue Bonds, 2023 Series D-3 (Social Bonds) (Taxable) (collectively, the “Bonds”).

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “SEC Rule”).

- (1) “Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the holders of beneficial interests in the Bonds.
- (2) “EMMA” shall mean the Electronic Municipal Market Access of MSRB accessible at <http://emma.msrb.org> or at such other information depository as may be designated by the SEC from time to time to receive final official statements, material event notices and annual financial information under the SEC Rule.
- (3) “Final Official Statement” means the Official Statement dated October 11, 2023, relating to the Bonds, including any document or set of documents included therein by specific reference which is available to the public on EMMA.
- (4) “Financial Obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, “Financial Obligation” shall not include any municipal securities (as defined in the Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.
- (5) “MSRB” means the Municipal Securities Rulemaking Board.
- (6) “Obligated Person” means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other credit or liquidity facilities). The Obligor is identified as the only Obligated Person with respect to the Bonds in Section 4.

Section 2. Bonds. This Agreement applies to the Obligor’s Single Family Mortgage Revenue Bonds, 2023 Series D-1, D-2 and D-3.

Section 3. Term. The term of this Agreement is from the date of delivery of the Bonds by the Obligor to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all the Bonds in such series and (ii) the date such series of Bonds is defeased under the provisions of the Amended and Restated Indenture of Trust, dated as of June 1, 2016, as supplemented and amended from time to time (the “Master Indenture”), a 2023 Series D Supplemental Indenture dated as of November 1, 2023 (the “2023 Series D Supplement”) and together with the Master Indenture, the “Indenture”), all between the Obligor and The Bank of New York Mellon Trust Company, N.A., as trustee, and as further supplemented and amended from time to time.

Section 4. Obligated Persons. The Obligor hereby warrants and represents as of the date hereof, that the Obligor is the only Obligated Person with respect to the Bonds. If the Obligor is no longer committed by contract or other arrangement to support payment of the obligations on the Bonds, the Obligor shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Agreement, to provide annual financial information and notices of events shall terminate with respect to the Obligor. If the Obligor is no longer considered an Obligated Person within the meaning of the SEC Rule, the Obligor shall file, or cause to be filed with EMMA a written notice that it is no longer an Obligated Person. In the event that any entity subsequently becomes an Obligated Person with respect to the Bonds, the Obligor agrees to use its best efforts (so long as it continues to be an Obligated Person with respect to the Bonds) to cause such other entity to enter into a written undertaking to comply with the disclosure requirements of Obligated Persons set forth herein.

Section 5. Provision of Annual Financial Information. (a) The Obligor hereby undertakes to provide the following annual financial information:

- (1) To the MSRB through EMMA, when and if available, the audited financial statements of the Obligor for each fiscal year of the Obligor, beginning with the fiscal year ending December 31, 2023, together with the auditor's report and all notes thereto; and
- (2) To the MSRB through EMMA, within 180 days of the close of each fiscal year of the Obligor, beginning with the fiscal year ending December 31, 2023, annual financial information for the Obligor for such fiscal year, other than the audited financial statements described in (1) above, including (i) unaudited financial statements of the Obligor if audited financial statements are not then available and (ii) operating data (excluding any demographic information or forecasts) of the general type included in the table entitled "Information as of December 31, 2022 Concerning Outstanding Indiana Housing and Community Development Authority Mortgage Certificates under the 2016 Amended and Restated Indenture of Trust as of June 1, 2016" in the Final Official Statement (collectively, the "Annual Information"), unless otherwise provided in the Obligor's voluntary quarterly filings posted on EMMA (which filings currently provide such information).

(b) To the extent the Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 5 is included in a final official statement (as that term is defined in paragraph (f)(3) of the SEC Rule) dated within one hundred eighty (180) days prior to the due date for such information for any fiscal year and filed with the MSRB through EMMA, the Obligor shall have been deemed to have provided that information as of the due date for the immediately preceding fiscal year as required by paragraph (a) of this Section 5.

(c) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 5 no longer can be provided because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB through EMMA, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

(d) Failure to provide any component of Annual Information because it is not available to the Obligor on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Agreement; provided, however, that in the event such Annual Information is not available to the Obligor, the Obligor will provide to the MSRB through EMMA, in the remaining disclosure of the Annual Information, (i) a description of the Annual Information that is not available, (ii) any replacement or substitute information, (iii) whether such Annual Information is expected to be available and, (iv) if known by the Obligor, the date such Annual Information will be made available to the Obligor. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 5 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to the MSRB through EMMA, or filed with the SEC, including in the Obligor's



voluntary quarterly filings posted on EMMA; however, if such document is a final official statement, it must also be available from the MSRB.

(f) The Annual Information and audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 5 may be provided in a single submission with respect to multiple series of Bonds.

(g) The Obligor must file all continuing disclosure filings with the MSRB through the EMMA system.

Section 6. Accounting Principles. The accounting principles pursuant to which the Obligor's financial statements will be prepared shall be generally accepted accounting principles, as in effect from time to time, those described in the auditors' report and the notes accompanying the audited financial statements of the Obligor included as a part of the Final Official Statement for a series of Bonds specified in a Supplement or those mandated by state law from time to time, or any other accounting principles which do not, in the determination of the Obligor, materially deviate from any of such accounting principles.

Section 7. Material Events. (a) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

- (1) non-payment related defaults;
- (2) modifications to rights of Bondholders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Bondholders.

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;

- (8) tender offers;
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (10) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Obligor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Obligor, such other event is material with respect to the Bonds and should be disclosed, but the Obligor does not commit to provide any such notice of the occurrence of any material event except those events set forth above. This disclosure may be made to the MSRB through the EMMA system.

Section 8. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the “Dissemination Agent”) in connection with the dissemination of any information required to be provided by the Obligor pursuant to the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the MSRB through EMMA.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all to further the purposes of this Agreement as set forth in the preamble and Section 10 hereof.

Section 9. Failure to Disclose. If, for any reason, the Obligor fails to provide the Annual Information as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB through EMMA.

Section 10. Remedy.

(a) The purpose of this Agreement is to induce J.P. Morgan Securities LLC and any future purchaser of the Bonds (the “Purchaser”) to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the owners of Bonds set forth herein, and creates no new contractual or other rights for the SEC, purchasers, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor’s disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor’s failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture or any other agreement to which the Obligor is a party.

(b) Subject to paragraph (c) of this Section 10, the remedy set forth in the preceding paragraph may be exercised by any holder of Bonds in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy. The Counterparty shall have no obligation to pursue any remedial action hereunder on behalf of any holder of Bonds.

(c) Prior to pursuing any remedy for any breach of any obligation under this Agreement, a holder of Bonds shall give notice to the Obligor, by registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after the mailing of such notice, and not before, such remedy may be pursued under this Agreement if and to the extent the Obligor has failed to cure such breach within such fifteen (15) days.

Section 11. Modification of Agreement. The Obligor may, from time to time, amend or modify this Agreement without the consent of or notice to the owners of the Bonds if: (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account

any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) any person selected by the Obligor that is unaffiliated with the Obligor (including the Counterparty or the trustee under the Indenture or nationally recognized bond counsel) or (B) an approving vote of the holders of the requisite percentage of Outstanding (as defined in the Indenture) Bonds as required under Section 9.2 of the Indenture at the time of such amendment or modification; or (b) such amendment or modification is permitted by law.

The Annual Information or audited financial statements for the fiscal year during which any such amendment or modification occurs that contains the amended or modified Annual Information or audited financial statements shall explain, in narrative form, the reasons for such amendment or modification and the impact of the change in the type of Annual Information or audited financial statements being provided.

Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement, as supplemented, and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Severability Clause. In case any provision in this Agreement, as supplemented, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Successors and Assigns. All covenants and agreements in this Agreement made by the Obligor shall bind its successors, whether so expressed or not.

Section 15. Notices. All notices required to be given to the Obligor under this Agreement shall be made at the following address:

Indiana Housing and Community Development Authority  
30 South Meridian Street, Suite 900  
Indianapolis, Indiana 46204  
Attn: Executive Director

INDIANA HOUSING AND COMMUNITY  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
\_\_\_\_\_, Authorized Officer

*Signature Page to Continuing Disclosure Agreement*

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## CERTAIN DEFINITIONS

In addition to terms defined elsewhere in this Official Statement, the following are definitions in summary form of certain terms defined and contained in the Indenture and used in this Official Statement.

*“Account”* means one or more, as the case may be, of the special accounts created and established pursuant to the Indenture.

*“Accountant”* means such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by the Authority and satisfactory to the Trustee and may be the accountant or firm of accountants who regularly audit the books and accounts of the Authority.

*“Act”* means Chapter 1 of Article 20 of Title 5 of the Indiana Code, as amended.

*“Administrative Fee”* means the fee paid to the Authority for administering the Program from amounts on deposit in the Revenue Account, which Administrative Fee will be as provided in the Supplemental Indenture for each series of Bonds.

*“Aggregate Debt Service”* means, with respect to any particular Fiscal Year and as of any particular date of computation, the sum of the individual amounts of Debt Service for such Fiscal Year with respect to all series of Bonds.

*“Authority”* means the Indiana Housing and Community Development Authority, a body corporate and politic of the State of Indiana, or any body, agency or instrumentality of the State which hereafter succeeds to the powers, duties and functions of the Authority.

*“Authorized Denominations”* means \$5,000 or any integral multiple thereof.

*“Authorized Newspapers”* means not less than two newspapers or financial journals, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, one of which is of general circulation in the City of Indianapolis, Indiana, and the other of which is of general circulation in the Borough of Manhattan, City and State of New York.

*“Authorized Officer”* means the Chair or Executive Director of the Authority and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Authority then authorized to perform such act or discharge such duty.

*“Beneficial Owners”* means the owners of beneficial interests in the 2023 Series D Bonds registered in the name of DTC or its nominee as evidenced by the accounts and records of DTC, its participants and indirect participants.

*“Bond”* means one of the bonds or notes authenticated and delivered pursuant to the Indenture, including any additional or Refunding Bonds.

*“Bond Counsel’s Opinion”* means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Authority and satisfactory to the Trustee.

*“Bondholder” or “holder”* or words of similar import, when used with reference to a Bond means any person who is the registered owner of any outstanding Bond.

*“Business Day”* means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in New York, New York or any other city where the principal United States office of any of the Bank, the Trustee, or the Remarketing Agent is located are required or authorized by law (including executive order) to close, or on which the principal United States office of the Bank, the Trustee, the Paying Agent, the Tender Agent, or the Remarketing Agent is closed for a reason not related to financial condition, or (iii) a day on which The New York Stock Exchange is closed.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time or any successor thereto, together with the corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto, or with respect to the Internal Revenue Code of 1954, by the United States Treasury Department of the Internal Revenue Service.

“*Costs of Issuance*” means all items of expense directly or indirectly payable or reimbursable by or to the Authority and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“*Debt Service*” means, with respect to any particular Fiscal Year and any particular series of Bonds, an amount equal to the sum of (i) all interest payable on such Bonds during such Fiscal Year, plus (ii) any Principal Installment of such Bonds due during such Fiscal Year.

“*Depository*” means any bank or trust company, savings and loan association or national banking association selected by the Authority or the Trustee as a depository of moneys or securities held under the provisions of the Indenture and may include the Trustee, a Servicer or any Paying Agent.

“*Depository Company*” means The Depository Trust Company, New York, New York, and its successors and assigns, including without limitation any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with the Indenture.

“*Electronic Means*” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“*Event of Default*” means any of the events specified in the Indenture. See “APPENDIX D: SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Events of Default.”

“*Excess Revenues*” means, as of any date of calculation, the amount, whether attributable to the 2023 Series D Bonds or any other Bonds, held in the Revenue Account, less (i) Prepayments, (ii) accrued Debt Service and (iii) accrued and unpaid Program Expenses as calculated by the Authority.

“*Fannie Mae*” means the Federal National Mortgage Association, a body corporate created and existing under the laws of the United States of America.

“*Fannie Mae Certificate*” means a single pool, guaranteed mortgage pass-through certificate issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, the full and timely payment of principal of and interest on which is guaranteed by Fannie Mae and backed by Mortgage Loans in the related Fannie Mae pool.

“*Fiduciary*” means the Trustee and any Paying Agent, or any or all of them as may be appropriate.

“*Fiscal Year*” means a twelve-month period commencing on the first day of January of any year, or such other twelve-month period as the Authority establishes from time to time.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a body corporate created and existing under the laws of the United States of America (12 U.S.C. Section 1452(a)).

“*GNMA*” means the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development and any successor to its functions, whose powers are prescribed generally by Title III of the National Housing Act as amended (12 U.S.C. 1716, *et seq.*).

“*GNMA Certificate*” means a certificate purchased by the Trustee at the direction of the Authority, issued by a servicer and guaranteed by GNMA pursuant to one of GNMA’s mortgage-backed securities programs under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based on and backed by Mortgage Loans referred to in the applicable guaranty agreement, which certificate unconditionally obligates a servicer to remit monthly to the holder thereof its pro rata share of (a) principal payments due and prepayments made in respect of the pool represented by the GNMA Certificate and (b) interest at a rate equal to the applicable pass-through rate. GNMA guarantees

to the holder of each GNMA Certificate such holder's pro rata share of (1) the timely payment of interest at the applicable pass-through rate on the unpaid principal balance of the Mortgage Loans represented by the GNMA Certificate and (2) the timely payment of principal in accordance with the terms of the principal amortization schedule applicable to the Mortgage Loans represented by such GNMA Certificate, together with any apportioned Prepayments or other early recoveries of principal with respect to such Mortgage Loan. In the event GNMA so requires pursuant to GNMA's book-entry system in lieu of the aforesaid certificate, the confirmation of GNMA's guaranty obligation will be transmitted to the Trustee or its designee electronically.

*"Indenture"* means the Master Indenture and any amendments or supplements made in accordance with its terms.

*"Interest Payment Date"* means each date on which interest is to be paid and means each January 1 and July 1, commencing July 1, 2024, until all of the 2023 Series D Bonds have been paid.

*"Investment Securities"* means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Authority under the Act, including the amendments thereto hereafter made, or under other applicable law:

(1) Direct obligations of or obligations guaranteed as to full and timely payment by the United States of America;

(2) Senior debt obligations of the Federal Home Loan Banks; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation, those which guarantee timely payment of principal and interest;

(3) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured long term general obligation debt is rated in the highest long-term rating category by a Rating Agency then rating the Bonds, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured long term general obligation debt is rated in the highest long-term rating category by a Rating Agency then rating the Bonds;

(4) Commercial paper rated in the highest short-term rating category by a Rating Agency then rating the Bonds;

(5) Deposits, federal funds or bankers' acceptances (in each case having maturities of not less than 365 days) of any bank which:

(A) has an unsecured, uninsured and unguaranteed obligation rated in the highest short-term rating category by a Rating Agency then rating the Bonds; or

(B) is guaranteed by a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in (A) above;

(6) Investments in a money market mutual fund or a mutual fund rated in the highest rating category for such a fund by a Rating Agency then rating the Bonds;

(7) Repurchase agreements with any institution which has an unsecured, uninsured and unguaranteed obligation rated in the highest long-term rating category by a Rating Agency then rating the Bonds (if such repurchase agreement has a maturity of more than 365 days) or in the highest short-term rating category by a Rating Agency then rating the Bonds (if such repurchase agreement has a maturity of less than 365 days);

(8) Investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by a Rating Agency then rating the Bonds (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in one of the three highest rating categories by a Rating Agency then rating the Bonds (provided that the term of such agreement is not less than 366 days nor more than 24 months) or has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated

in one of the two highest rating categories by a Rating Agency then rating the Bonds (if the term of such agreement is more than 24 months) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(A) interest is paid at least semiannually at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement, consistent with the Interest Payment Dates;

(B) moneys invested thereunder may be withdrawn without any penalty, premium or charge upon not more than two (2) days' notice unless otherwise specified in a Supplemental Indenture;

(C) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount;

(D) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent; and

(E) the agreement contains such terms or conditions which do not affect the existing rating on the Bonds as evidenced by a letter from each Rating Agency then rating the Bonds; or

(9) Any other investment as provided in a Supplemental Indenture which does not adversely affect the existing rating on the Bonds.

For purposes of this definition of "Investment Securities," for so long as Moody's Investors Service ("Moody's") is one of the Rating Agencies then rating the Bonds, any Investment Security acquired by the Authority for which a rating criteria has been established within this definition, must satisfy that criteria with respect to Moody's at the time such Investment Security is acquired.

"*Lenders*" include banks, trust companies, savings banks, savings and loan associations, credit unions, national banking associations, federal savings and loan associations and federal credit unions maintaining an office in the State, certain public utilities, certain gas utility systems, insurance companies authorized to do business in the State, or a mortgage banking firm or mortgagee authorized to do business in the State and approved by either the Authority or the Department of Housing and Urban Development, if otherwise qualified under the Program.

"*Loan Account*" means the Loan Account established pursuant to the Indenture.

"*Major Owner*" means any person or entity that has provided a certificate to the Trustee which has not been otherwise rescinded, withdrawn or canceled, to the effect that such person or entity is the registered owner of at least \$1,000,000 in principal amount of 2023 Series D Bonds.

"*Master Indenture*" means the 2016 Amended and Restated Indenture dated as of June 1, 2016, as supplemented and amended from time to time.

"*Mortgage Certificate*" means a Freddie Mac Certificate, Fannie Mae Certificate or GNMA Certificate or any other mortgage-backed security the purchase of which will not adversely affect the existing rating on the Bonds, that evidences beneficial ownership of a pool of Mortgage Loans, that satisfies the requirements of the applicable Supplemental Indenture and that is purchased from amounts in the Loan Account and pledged by the Authority to the Trustee pursuant to the Indenture.

"*Mortgage Loan*" means any obligation secured by real property located in the State and originated on behalf of the Authority to facilitate the use of amounts in the Loan Account for the acquisition of Mortgage Certificates with respect thereto.

"*NRMSIRs*" means the nationally recognized municipal securities information repositories.

"*Paying Agent*" means The Bank of New York Mellon Trust Company, N.A., and its successor or successors appointed in the manner provided in the Indenture.



*“Positive Statement of Projected Cash Flow”* means a Statement of Projected Cash Flow which projects Revenues will be sufficient for the payment of the estimated Debt Service and Program Expenses described in the Indenture for such Fiscal Year.

*“Prepayments”* means any payment, whether attributable to the 2023 Series D-1 and D-2 Bonds or any other Bonds, in excess of the regularly-scheduled payments on the Mortgage Loans, including, but not limited to, payments representing (i) optional prepayment of such a Mortgage Loan, (ii) casualty insurance proceeds or condemnation awards applied to the prepayment of such a Mortgage Loan following a partial or total destruction or condemnation of a single family residence, (iii) mortgage insurance or guaranty proceeds, prepayments of Mortgage Certificates, or other amounts received with respect to such a Mortgage Loan following acceleration thereof upon the occurrence of an event of default thereunder, or (iv) a prepayment of a Mortgage Loan without notice or prepayment penalty while under supervision of a trustee in bankruptcy.

*“Principal Asset Bonds”* means the amount determined by subtracting from (i) the principal amount of all outstanding Bonds (ii) the amount of cash or Investment Securities in the Debt Service Reserve Account.

*“Principal Installment”* means, as of any date of calculation, (i) the aggregate principal amount of outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Indenture of sinking fund payments payable before such future date plus (ii) the unsatisfied balance as determined in the Master Indenture of any sinking fund payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such sinking fund payments in a principal amount equal to said unsatisfied balance.

*“Program”* means the Authority’s Single Family Mortgage Program which is the program for the financing of loans for residential housing established by the Authority pursuant to the Act and the Program Guide, as the same may be amended from time to time consistent with the Indenture, but only to the extent that such program is financed through the issuance of Bonds or from amounts otherwise available out of the moneys and assets held or pledged pursuant to the Indenture.

*“Program Expenses”* means all of the Authority’s expenses in carrying out and administering its Single Family Mortgage Program under Master Indenture and includes, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Fiduciaries, payments made or required to be made or held aside for payment to preserve the excludability from gross income of the interest on the Bonds for federal income tax purposes, Costs of Issuance not paid from the proceeds of Bonds, mortgage, pool and special hazard insurance premiums, travel, payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Single Family Mortgage Program, but excludes any Program Expenses paid for out of the Administrative Fee. Program Expenses may also include amounts for establishing and maintaining a two-month reserve to pay operating costs and a reasonable reserve for losses and expenses estimated to be incurred by the Authority and amounts appropriate to reimburse the Authority for Program expenses paid from other sources.

*“Program Guide”* means the Single Family Mortgage Program Guide for Lenders and Servicers adopted by the Authority for the Program as in effect on the date of the Indenture and as revised, amended, altered or supplemented from time to time in accordance with the Act and the Indenture.

*“PSA”* means the Prepayment Speed Assumption, an assumed prepayment speed or rate which is used in estimating prepayments of mortgage loans under the Standard SIFMA Model.

*“Purchase Fund”* shall mean the account by that name created by the Master Indenture.

*“Rating Agency”* means any nationally recognized bond rating agency, including Moody’s Investors Service and Fitch Ratings.

*“Redemption Account”* means the Redemption Account established pursuant to the Indenture.

*“Refunding Bond”* means any Bond authenticated and delivered on original issuance pursuant to and in accordance with the requirements of the Indenture for the refunding of any Bonds or thereafter authenticated and delivered in lieu of or in substitution for any such Bond pursuant to the Indenture.

*“Revenue Account”* means the Revenue Account established pursuant to the Indenture.

*“Revenues”* means, upon receipt thereof by the Authority, all payments, repayments, prepayments, proceeds, rents, charges and other cash income received by the Authority from or on account of any Mortgage Loan (including scheduled, delinquent and advance payments of, and any insurance and guaranty proceeds with respect to, principal and interest on any Mortgage Loan) and all income earned or gain realized from the investment of amounts in any Account, including Swap Payments but *excludes* (i) commitment fees, or (ii) any amount retained by a Servicer (other than the Authority) of any Mortgage Loan as compensation for services rendered in connection with such Mortgage Loan.

*“Servicer”* means the bank or other servicing entities appointed by the Authority with respect to the Single Family Mortgage Program.

*“State”* means the State of Indiana.

*“Statement of Projected Cash Flow”* means a written statement prepared or verified by a firm having experience in preparation of mortgage revenue bond cash flows that is acceptable to the Rating Agency then rating the Bonds, setting forth for the then-current and each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding a projection of:

- (1) The Revenues projected to be received with respect to the Bonds;
- (2) The interest to be earned and other income which the Authority projects to be derived from the investment of the Accounts and the rates or yields used in projecting such amounts with respect to the Bonds;
- (3) Money held or projected to be held in any other Account available for payment of Debt Service on the Bonds or Program Expenses;
- (4) The Debt Service on the Bonds and parity Swap Payments due during such fiscal year; and
- (5) The Authority’s Program Expenses and Administrative Fee permitted by each Supplemental Indenture with respect to the Bonds.

In making any Statement of Projected Cash Flow the Authority may contemplate: (i) the expenditure of amounts in the Loan Account for the financing of Mortgage Loans in accordance with the Authority’s reasonable expectations at the time such Statement is made; (ii) the transfer of moneys from one Account to another Account if such transfer is or will be permitted in accordance with the Indenture; (iii) the payment or redemption of Bonds if such payment or redemption is or will be permitted in accordance with the Indenture; and (iv) the transfer of moneys among the various Accounts from time to time by the Authority to the extent the Authority reasonably expects such amounts to be available for such transfer.

The Statement of Projected Cash Flow is to be based upon the assets held by the Trustee as of a date no more than 120 days prior to the date of such Statement or otherwise such Statement of Projected Cash Flow is to be based on a reasonable estimate of such assets held by the Trustee as of the date of the Statement of Projected Cash Flow. The Authority also is to supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Accounts, amounts to be applied to the redemption or payment of Bonds and amounts to be used to provide for Costs of Issuance and capitalized interest for the respective Bonds. In projecting the amounts set forth above, the Authority is to set forth its assumptions (which, in the opinion of the Authority, are reasonable) of the interest rates and yields that Mortgage Loans or Investment Securities may be financed or purchased and the terms to maturity with respect thereto, fund and Account balances, Program Expenses, redemption, or any other action or event which is necessary or desirable for such purpose.

In the event the interest rate on any Bond is, at the time of calculation, not determined for the term of the Statement of Projected Cash Flow, interest rates on such Bond are to be determined by a certificate of the Authority estimating the such interest rate in the manner used in securing the required rating on such Bonds from the Rating Agency rating such Bonds.

*“Supplemental Indenture”* means any indenture supplemental to or amendatory of the Indenture.

*“Trustee”* means The Bank of New York Mellon Trust Company, N.A., and its successor or successors and any other person at any time substituted in its place pursuant to the Indenture.

“*UMBS*” means a mortgage participation certificate purchased by the Trustee, in certificated or book-entry form, the timely payment of interest on and the timely payment or the ultimate collection of principal of which is guaranteed by Freddie Mac and Fannie Mae, which evidences a proportional undivided interest in pools of first lien, fixed-rate, variable-rate or adjustable-rate conventional Mortgage Loans or participation interests in conventional one-to-four family residential Mortgage Loans purchased by Freddie Mac and Fannie Mae, all of which loans provide for monthly payments of principal and interest in substantially equal installments for the contractual term of such loan or for each rate variation or adjustment period, as the case may be, and are amortizing over the original term to maturity.

“*2023 Series D Bonds*” means, collectively, the 2023 Series D-1 and D-2 Bonds and the 2023 Series D-3 Bonds.

“*2023 Series D Mortgage Loans*” means the Mortgage Loans financed by the proceeds of the 2023 Series D Bonds.

“*2023 Series D Term Bonds*” means, collectively, the 2023 Series D-1 Term Bonds and the 2023 Series D-3 Term Bonds.

“*2023 Series D-1 Bonds*” means the Authority’s Single Family Mortgage Revenue Bonds, 2023 Series D-1 (Social Bonds) (Non-AMT).

“*2023 Series D-1 Term Bonds*” means, collectively, the 2023 Series D-1 Bonds due July 1, 2038, the 2023 Series D-1 Bonds due July 1, 2043, the 2023 Series D-1 Bonds due July 1, 2048, and the 2023 Series D-1 Bonds due July 1, 2053.

“*2023 Series D-1 and D-2 Bonds*” means, collectively, the 2023 Series D-1 Bonds and the 2023 Series D-2 Bonds.

“*2023 Series D Supplement*” means the 2023 Series D Supplemental Indenture between the Authority and the Trustee, dated as of November 1, 2023.

“*2023 Series D-2 Bonds*” means the Authority’s Single Family Mortgage Revenue Bonds, 2023 Series D-2 (Social Bonds) (AMT).

“*2023 Series D-3 Bonds*” means the Authority’s Single Family Mortgage Revenue Bonds, 2023 Series D-3 (Social Bonds) (Taxable).

“*2023 Series D-3 Term Bonds*” means, collectively, the 2023 Series D-3 Bonds due July 1, 2038, the 2023 Series D-3 Bonds due July 1, 2043, the 2023 Series D-3 Bonds due July 1, 2048, the 2023 Series D-3 Bonds due July 1, 2053, and the 2023D-3 PAC Bonds due July 1, 2054.

“*2023D-3 PAC Bonds*” means the Authority’s 2023D-3 PAC Bonds maturing July 1, 2054.

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**PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING  
AND ESTIMATED WEIGHTED AVERAGE LIVES OF THE 2023D-3 PAC BONDS**

Set forth in the table below are projected percentages of initial principal balance outstanding and estimated weighted average lives for the 2023D-3 PAC Bonds under various prepayment speeds. “Projected percentages of initial principal balance outstanding” refers to the principal balance of a security that will be outstanding on a specified date expressed as a percentage of the initial principal amount of such security. The “projected weighted average life” of a security refers to the average amount of time that is projected to elapse from the date of delivery of such security to the date of projected payment to the investor of each dollar paid to reduce the principal of such security (assuming no losses). The projected weighted average life of a security is determined by (a) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (b) adding the results and (c) dividing the sum by the initial outstanding amount of such security.

The calculation of the projected weighted average life of the 2023D-3 PAC Bonds set forth below requires the making of certain hypothetical assumptions. See “REDEMPTION OF 2023 SERIES D BONDS—Redemption from Prepayments, Repayments and Excess Revenues—*Estimated Weighted Average Lives of 2023D-3 PAC Bonds*” in this Official Statement.

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**Indiana Housing and Community Development Authority**  
**Single Family Mortgage Revenue Bonds**  
**Projected Percentages of Initial Principal Balance Outstanding and Weighted Average Lives**  
**\$15,000,000 2023D-3 PAC Bonds Due July 1, 2054**

**Prepayment Assumption**

<b>Payment Date</b>	<b>0% PSA</b>	<b>25% PSA</b>	<b>50% PSA</b>	<b>75% PSA</b>	<b>100% PSA</b>	<b>150% PSA</b>	<b>200% PSA</b>	<b>300% PSA</b>	<b>400% PSA</b>	<b>500% PSA</b>
Initial Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January 1, 2024	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January 1, 2025	96.1%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%
January 1, 2026	92.0%	87.6%	86.5%	86.5%	86.5%	86.5%	86.5%	86.5%	86.5%	86.5%
January 1, 2027	87.5%	75.7%	70.9%	70.9%	70.9%	70.9%	70.9%	70.9%	70.9%	70.9%
January 1, 2028	87.5%	67.9%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%
January 1, 2029	87.5%	56.1%	42.8%	42.8%	42.8%	42.8%	42.8%	42.8%	42.8%	42.8%
January 1, 2030	87.5%	44.9%	29.7%	29.7%	29.7%	29.7%	29.7%	29.7%	29.7%	29.7%
January 1, 2031	87.5%	34.1%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%
January 1, 2032	87.5%	24.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
January 1, 2033	87.5%	14.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2034	87.5%	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2035	87.5%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2036	87.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2037	87.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2038	87.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2039	85.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2040	80.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2041	75.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2042	69.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2043	63.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2044	60.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2045	60.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2046	60.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2047	60.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2048	60.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2049	56.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2050	47.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2051	37.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2052	30.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2053	22.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
January 1, 2054	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>First Payment or Redemption Date</b>	1/1/2025	1/1/2025	1/1/2025	7/1/2024	7/1/2024	7/1/2024	7/1/2024	7/1/2024	7/1/2024	7/1/2024
<b>Last Payment or Redemption Date</b>	1/1/2054	7/1/2035	1/1/2033	1/1/2033	1/1/2033	1/1/2033	1/1/2033	1/1/2033	1/1/2033	1/1/2033
<b>Weighted Average Life (years)</b>										
<b>Optional Call Not Exercised</b>	22.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Optional Call at 07/01/2032 Exercised</b>	7.8	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Weighted Average Life Date</b>										
<b>Optional Call Not Exercised</b>	12/1/2045	11/26/2029	11/16/2028	11/15/2028	11/15/2028	11/15/2028	11/15/2028	11/15/2028	11/15/2028	11/15/2028
<b>Optional Call at 07/01/2032 Exercised</b>	9/9/2031	8/13/2029	11/9/2028	11/9/2028	11/9/2028	11/9/2028	11/9/2028	11/9/2028	11/9/2028	11/9/2028

The following table presents certain information regarding the interest rate, series, bond type and maturity of the Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds.

**BONDS OUTSTANDING AS OF JULY 1, 2023**

<b>Coupon</b>	<b>Series</b>	<b>Type</b>	<b>Maturity</b>	<b>Amount</b>	<b>Cumulative</b>	<b>% of Total</b>
5.750	2023 SERIES A-1	PAC	7/1/2053	24,495,000	24,495,000	2.377%
	2023 SERIES B-3	PAC	7/1/2054	34,175,000	58,670,000	5.693%
5.455	2023 SERIES A-2	Fixed	1/1/2049	5,890,000	64,560,000	6.265%
5.427	2023 SERIES B-3	Fixed	7/1/2048	26,835,000	91,395,000	8.869%
5.405	2023 SERIES A-2	Fixed	7/1/2043	3,905,000	95,300,000	9.248%
5.377	2023 SERIES B-3	Fixed	7/1/2043	15,275,000	110,575,000	10.730%
5.322	2023 SERIES B-3	Fixed	7/1/2038	11,060,000	121,635,000	11.803%
5.252	2023 SERIES B-3	Fixed	7/1/2033	855,000	122,490,000	11.886%
5.236	2023 SERIES A-2	Fixed	7/1/2038	2,720,000	125,210,000	12.150%
5.216	2023 SERIES A-2	Fixed	7/1/2033	225,000	125,435,000	12.172%
5.202	2023 SERIES B-3	Fixed	1/1/2033	1,035,000	126,470,000	12.273%
5.176	2023 SERIES A-2	Fixed	1/1/2033	865,000	127,335,000	12.357%
5.152	2023 SERIES B-3	Fixed	7/1/2032	1,000,000	128,335,000	12.454%
5.116	2023 SERIES A-2	Fixed	7/1/2032	835,000	129,170,000	12.535%
5.102	2023 SERIES B-3	Fixed	1/1/2032	985,000	130,155,000	12.630%
5.066	2023 SERIES A-2	Fixed	1/1/2032	805,000	130,960,000	12.708%
5.052	2023 SERIES B-3	Fixed	7/1/2031	955,000	131,915,000	12.801%
5.026	2023 SERIES A-2	Fixed	7/1/2031	780,000	132,695,000	12.877%
5.002	2023 SERIES B-3	Fixed	1/1/2031	950,000	133,645,000	12.969%
5.000	2020 SERIES A	Non-Callable	1/1/2024	680,000	134,325,000	13.035%
	2020 SERIES A	Non-Callable	7/1/2024	700,000	135,025,000	13.103%
	2020 SERIES A	Non-Callable	1/1/2025	710,000	135,735,000	13.172%
	2020 SERIES A	Non-Callable	7/1/2025	725,000	136,460,000	13.242%
	2020 SERIES A	Non-Callable	1/1/2026	735,000	137,195,000	13.313%
	2020 SERIES A	Non-Callable	7/1/2026	755,000	137,950,000	13.387%
	2020 SERIES A	Non-Callable	1/1/2027	765,000	138,715,000	13.461%
	2020 SERIES A	Non-Callable	7/1/2027	780,000	139,495,000	13.537%
	2020 SERIES A	Non-Callable	1/1/2028	700,000	140,195,000	13.604%
	2020 SERIES A	Non-Callable	7/1/2028	550,000	140,745,000	13.658%
	2020 SERIES A	Non-Callable	1/1/2029	425,000	141,170,000	13.699%
	2020 SERIES B-1	Non-Callable	1/1/2025	840,000	142,010,000	13.781%
	2020 SERIES B-1	Non-Callable	7/1/2025	1,775,000	143,785,000	13.953%
	2020 SERIES B-1	Non-Callable	1/1/2026	1,805,000	145,590,000	14.128%
	2020 SERIES B-1	Non-Callable	7/1/2026	1,840,000	147,430,000	14.307%
	2020 SERIES B-1	Non-Callable	1/1/2027	1,880,000	149,310,000	14.489%
	2020 SERIES B-2	Non-Callable	1/1/2024	1,675,000	150,985,000	14.651%
	2020 SERIES B-2	Non-Callable	7/1/2024	1,705,000	152,690,000	14.817%
	2020 SERIES B-2	Non-Callable	1/1/2025	900,000	153,590,000	14.904%
	2021 SERIES A	Non-Callable	1/1/2024	595,000	154,185,000	14.962%
	2021 SERIES A	Non-Callable	7/1/2024	600,000	154,785,000	15.020%
	2021 SERIES A	Non-Callable	1/1/2025	610,000	155,395,000	15.079%

Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
	2021 SERIES A	Non-Callable	7/1/2025	625,000	156,020,000	15.140%
	2021 SERIES A	Non-Callable	1/1/2026	630,000	156,650,000	15.201%
	2021 SERIES A	Non-Callable	7/1/2026	645,000	157,295,000	15.264%
	2021 SERIES A	Non-Callable	1/1/2027	655,000	157,950,000	15.327%
	2021 SERIES A	Non-Callable	7/1/2027	665,000	158,615,000	15.392%
	2021 SERIES A	Non-Callable	1/1/2028	675,000	159,290,000	15.457%
	2021 SERIES A	Non-Callable	7/1/2028	685,000	159,975,000	15.524%
	2021 SERIES A	Non-Callable	1/1/2029	700,000	160,675,000	15.592%
	2021 SERIES A	Non-Callable	7/1/2029	710,000	161,385,000	15.661%
	2021 SERIES B	Non-Callable	1/1/2024	1,195,000	162,580,000	15.777%
	2021 SERIES B	Non-Callable	7/1/2024	1,220,000	163,800,000	15.895%
	2021 SERIES B	Non-Callable	1/1/2025	1,245,000	165,045,000	16.016%
	2021 SERIES B	Non-Callable	7/1/2025	1,260,000	166,305,000	16.138%
	2021 SERIES B	Non-Callable	1/1/2026	1,290,000	167,595,000	16.263%
	2021 SERIES B	Non-Callable	7/1/2026	1,305,000	168,900,000	16.390%
	2021 SERIES B	Non-Callable	1/1/2027	1,335,000	170,235,000	16.519%
	2021 SERIES B	Non-Callable	7/1/2027	1,355,000	171,590,000	16.651%
	2021 SERIES B	Non-Callable	1/1/2028	1,380,000	172,970,000	16.785%
	2021 SERIES B	Non-Callable	7/1/2028	1,405,000	174,375,000	16.921%
	2021 SERIES C-1	Non-Callable	1/1/2027	780,000	175,155,000	16.997%
	2021 SERIES C-1	Non-Callable	7/1/2027	840,000	175,995,000	17.078%
	2021 SERIES C-1	Non-Callable	1/1/2028	850,000	176,845,000	17.161%
	2021 SERIES C-1	Non-Callable	7/1/2028	870,000	177,715,000	17.245%
	2021 SERIES C-1	Non-Callable	1/1/2029	885,000	178,600,000	17.331%
	2021 SERIES C-1	Non-Callable	7/1/2029	905,000	179,505,000	17.419%
	2021 SERIES C-1	Non-Callable	1/1/2030	915,000	180,420,000	17.508%
	2021 SERIES C-1	Non-Callable	7/1/2030	935,000	181,355,000	17.599%
	2022 SERIES A	Non-Callable	1/1/2024	800,000	182,155,000	17.676%
	2022 SERIES A	Non-Callable	7/1/2024	815,000	182,970,000	17.755%
	2022 SERIES A	Non-Callable	1/1/2025	830,000	183,800,000	17.836%
	2022 SERIES A	Non-Callable	7/1/2025	845,000	184,645,000	17.918%
	2022 SERIES A	Non-Callable	1/1/2026	860,000	185,505,000	18.001%
	2022 SERIES A	Non-Callable	7/1/2026	880,000	186,385,000	18.087%
	2022 SERIES A	Non-Callable	1/1/2027	890,000	187,275,000	18.173%
	2022 SERIES A	Non-Callable	7/1/2027	915,000	188,190,000	18.262%
	2022 SERIES A	Non-Callable	1/1/2028	925,000	189,115,000	18.352%
	2022 SERIES A	Non-Callable	7/1/2028	945,000	190,060,000	18.443%
	2022 SERIES A	Non-Callable	1/1/2029	965,000	191,025,000	18.537%
	2022 SERIES A	Non-Callable	7/1/2029	980,000	192,005,000	18.632%
	2022 SERIES A	Non-Callable	1/1/2030	1,000,000	193,005,000	18.729%
	2022 SERIES A	Non-Callable	7/1/2030	1,020,000	194,025,000	18.828%
	2022 SERIES B	Non-Callable	1/1/2024	800,000	194,825,000	18.906%
	2022 SERIES B	Non-Callable	7/1/2024	825,000	195,650,000	18.986%
	2022 SERIES B	Non-Callable	1/1/2025	840,000	196,490,000	19.067%
	2022 SERIES B	Non-Callable	7/1/2025	870,000	197,360,000	19.152%
	2022 SERIES B	Non-Callable	1/1/2026	890,000	198,250,000	19.238%
	2022 SERIES B	Non-Callable	7/1/2026	910,000	199,160,000	19.326%
	2022 SERIES B	Non-Callable	1/1/2027	940,000	200,100,000	19.418%
	2022 SERIES B	Non-Callable	7/1/2027	965,000	201,065,000	19.511%



Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
	2022 SERIES B	Non-Callable	1/1/2028	990,000	202,055,000	19.607%
	2022 SERIES B	Non-Callable	7/1/2028	1,015,000	203,070,000	19.706%
	2022 SERIES B	Non-Callable	1/1/2029	1,045,000	204,115,000	19.807%
	2022 SERIES B	Non-Callable	7/1/2029	1,075,000	205,190,000	19.912%
	2022 SERIES B	Non-Callable	1/1/2030	1,100,000	206,290,000	20.018%
	2022 SERIES B	Non-Callable	7/1/2030	1,135,000	207,425,000	20.128%
	2022 SERIES C-1	PAC	7/1/2053	24,690,000	232,115,000	22.524%
	2023 SERIES B-2	Non-Callable	1/1/2024	475,000	232,590,000	22.570%
	2023 SERIES B-2	Non-Callable	7/1/2024	655,000	233,245,000	22.634%
	2023 SERIES B-2	Non-Callable	1/1/2025	680,000	233,925,000	22.700%
	2023 SERIES B-2	Non-Callable	7/1/2025	705,000	234,630,000	22.768%
	2023 SERIES B-2	Non-Callable	1/1/2026	730,000	235,360,000	22.839%
	2023 SERIES B-2	Non-Callable	7/1/2026	765,000	236,125,000	22.913%
	2023 SERIES B-2	Non-Callable	1/1/2027	785,000	236,910,000	22.990%
	2023 SERIES B-2	Non-Callable	7/1/2027	225,000	237,135,000	23.011%
4.990	2023 SERIES B-3	Fixed	7/1/2030	920,000	238,055,000	23.101%
4.976	2023 SERIES A-2	Fixed	1/1/2031	750,000	238,805,000	23.173%
4.940	2023 SERIES B-3	Fixed	1/1/2030	910,000	239,715,000	23.262%
4.890	2023 SERIES B-3	Fixed	7/1/2029	885,000	240,600,000	23.348%
4.880	2022 SERIES D	Fixed	7/1/2032	1,485,000	242,085,000	23.492%
4.850	2022 SERIES C-1	Fixed	7/1/2051	41,055,000	283,140,000	27.476%
4.840	2023 SERIES B-3	Fixed	1/1/2029	860,000	284,000,000	27.559%
4.830	2022 SERIES D	Fixed	1/1/2032	1,445,000	285,445,000	27.699%
4.819	2023 SERIES B-3	Fixed	7/1/2028	840,000	286,285,000	27.781%
4.787	2023 SERIES A-2	Fixed	7/1/2030	725,000	287,010,000	27.851%
4.780	2022 SERIES D	Fixed	7/1/2031	1,400,000	288,410,000	27.987%
4.769	2023 SERIES B-3	Fixed	1/1/2028	805,000	289,215,000	28.065%
4.767	2023 SERIES A-2	Fixed	1/1/2030	695,000	289,910,000	28.133%
4.750	2022 SERIES B	PAC	7/1/2052	41,285,000	331,195,000	32.139%
4.750	2022 SERIES C-1	Fixed	7/1/2047	37,015,000	368,210,000	35.731%
4.730	2022 SERIES D	Fixed	1/1/2031	1,375,000	369,585,000	35.864%
4.717	2023 SERIES A-2	Fixed	7/1/2029	675,000	370,260,000	35.930%
4.700	2023 SERIES A-1	Fixed	7/1/2050	10,455,000	380,715,000	36.944%
4.700	2023 SERIES B-1	Fixed	7/1/2053	19,015,000	399,730,000	38.790%
4.669	2023 SERIES B-3	Fixed	7/1/2027	585,000	400,315,000	38.846%
4.667	2023 SERIES A-2	Fixed	1/1/2029	650,000	400,965,000	38.909%
4.650	2023 SERIES A-1	Fixed	7/1/2048	16,880,000	417,845,000	40.547%
4.632	2023 SERIES A-2	Fixed	7/1/2028	630,000	418,475,000	40.609%
4.630	2022 SERIES D	Fixed	7/1/2030	1,335,000	419,810,000	40.738%
4.600	2022 SERIES C-1	Fixed	7/1/2042	27,025,000	446,835,000	43.361%
4.600	2023 SERIES B-1	Fixed	7/1/2048	11,155,000	457,990,000	44.443%
4.582	2023 SERIES A-2	Fixed	1/1/2028	605,000	458,595,000	44.502%
4.580	2022 SERIES D	Fixed	1/1/2030	1,315,000	459,910,000	44.629%
4.532	2023 SERIES A-2	Fixed	7/1/2027	585,000	460,495,000	44.686%
4.520	2022 SERIES D	Fixed	7/1/2029	1,285,000	461,780,000	44.811%
4.500	2023 SERIES A-1	Fixed	7/1/2043	11,810,000	473,590,000	45.957%
4.482	2023 SERIES A-2	Fixed	1/1/2027	560,000	474,150,000	46.011%
4.450	2022 SERIES D	Fixed	1/1/2029	1,265,000	475,415,000	46.134%
4.418	2023 SERIES A-2	Fixed	7/1/2026	545,000	475,960,000	46.187%

Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
4.375	2022 SERIES B	Fixed	1/1/2047	20,650,000	496,610,000	48.191%
4.370	2022 SERIES D	Fixed	7/1/2028	1,235,000	497,845,000	48.311%
4.368	2023 SERIES A-2	Fixed	1/1/2026	525,000	498,370,000	48.361%
4.350	2022 SERIES C-1	Fixed	7/1/2037	12,570,000	510,940,000	49.581%
4.350	2023 SERIES B-1	Fixed	7/1/2043	7,690,000	518,630,000	50.328%
4.330	2023 SERIES A-2	Fixed	7/1/2025	505,000	519,135,000	50.377%
4.300	2022 SERIES B	Fixed	7/1/2042	19,110,000	538,245,000	52.231%
4.300	2022 SERIES D	Fixed	1/1/2028	1,195,000	539,440,000	52.347%
4.300	2023 SERIES A-1	Fixed	7/1/2038	5,310,000	544,750,000	52.862%
4.280	2023 SERIES A-2	Fixed	7/1/2024	470,000	545,220,000	52.908%
4.280	2023 SERIES A-2	Fixed	1/1/2025	490,000	545,710,000	52.955%
4.250	2019 SERIES A	PAC	7/1/2048	8,490,000	554,200,000	53.779%
4.230	2023 SERIES A-2	Fixed	1/1/2024	565,000	554,765,000	53.834%
4.210	2022 SERIES D	Fixed	7/1/2027	1,165,000	555,930,000	53.947%
4.160	2022 SERIES D	Fixed	1/1/2027	1,140,000	557,070,000	54.058%
4.150	2022 SERIES B	Fixed	7/1/2037	10,255,000	567,325,000	55.053%
4.150	2022 SERIES C-1	Fixed	1/1/2034	1,820,000	569,145,000	55.229%
4.150	2022 SERIES C-1	Fixed	7/1/2034	1,875,000	571,020,000	55.411%
4.110	2022 SERIES D	Fixed	7/1/2026	1,100,000	572,120,000	55.518%
4.100	2022 SERIES B	Fixed	1/1/2034	1,365,000	573,485,000	55.651%
4.100	2022 SERIES B	Fixed	7/1/2034	1,400,000	574,885,000	55.786%
4.060	2022 SERIES D	Fixed	1/1/2026	1,070,000	575,955,000	55.890%
4.050	2022 SERIES C-1	Fixed	7/1/2033	1,760,000	577,715,000	56.061%
4.000	2017 SERIES A-2	PAC	1/1/2039	1,355,000	579,070,000	56.193%
4.000	2017 SERIES B-2	PAC	7/1/2038	2,965,000	582,035,000	56.480%
4.000	2017 SERIES C-2	PAC	1/1/2037	925,000	582,960,000	56.570%
4.000	2018 SERIES A	PAC	7/1/2048	9,440,000	592,400,000	57.486%
4.000	2022 SERIES B	Fixed	1/1/2033	1,295,000	593,695,000	57.612%
4.000	2022 SERIES B	Fixed	7/1/2033	1,325,000	595,020,000	57.740%
4.000	2022 SERIES C-1	Fixed	1/1/2033	1,705,000	596,725,000	57.906%
4.000	2023 SERIES A-1	Fixed	7/1/2035	780,000	597,505,000	57.981%
4.000	2023 SERIES B-1	Fixed	7/1/2038	4,400,000	601,905,000	58.408%
3.980	2022 SERIES D	Fixed	7/1/2025	1,035,000	602,940,000	58.509%
3.950	2022 SERIES B	Fixed	1/1/2032	1,225,000	604,165,000	58.628%
3.950	2022 SERIES B	Fixed	7/1/2032	1,260,000	605,425,000	58.750%
3.950	2023 SERIES A-1	Fixed	1/1/2035	750,000	606,175,000	58.823%
3.930	2022 SERIES D	Fixed	1/1/2025	1,005,000	607,180,000	58.920%
3.900	2022 SERIES B	Fixed	7/1/2031	1,195,000	608,375,000	59.036%
3.900	2023 SERIES A-1	Fixed	7/1/2034	725,000	609,100,000	59.107%
3.890	2022 SERIES D	Fixed	7/1/2024	150,000	609,250,000	59.121%
3.850	2022 SERIES B	Fixed	1/1/2031	1,160,000	610,410,000	59.234%
3.850	2023 SERIES A-1	Fixed	1/1/2034	700,000	611,110,000	59.302%
3.750	2020 SERIES A	PAC	1/1/2049	13,750,000	624,860,000	60.636%
3.700	2023 SERIES A-1	Fixed	7/1/2033	675,000	625,535,000	60.701%
3.550	2023 SERIES B-1	Fixed	7/1/2034	465,000	626,000,000	60.747%
3.500	2016 SERIES A-2	PAC	7/1/2038	2,845,000	628,845,000	61.023%
3.500	2019 SERIES B	PAC	1/1/2049	10,905,000	639,750,000	62.081%
3.500	2023 SERIES B-1	Fixed	1/1/2034	445,000	640,195,000	62.124%
3.450	2023 SERIES B-1	Fixed	7/1/2033	430,000	640,625,000	62.166%

Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
3.400	2023 SERIES B-1	Fixed	1/1/2033	200,000	640,825,000	62.185%
3.350	2023 SERIES B-1	Fixed	7/1/2032	190,000	641,015,000	62.204%
3.300	2023 SERIES B-1	Fixed	1/1/2032	160,000	641,175,000	62.219%
3.250	2020 SERIES B-1	PAC	7/1/2049	19,975,000	661,150,000	64.158%
3.200	2022 SERIES C-2	Fixed	1/1/2025	1,000,000	662,150,000	64.255%
3.200	2023 SERIES B-1	Fixed	7/1/2031	150,000	662,300,000	64.269%
3.150	2023 SERIES B-1	Fixed	1/1/2031	110,000	662,410,000	64.280%
3.125	2023 SERIES B-1	Fixed	7/1/2030	105,000	662,515,000	64.290%
3.100	2022 SERIES C-2	Fixed	7/1/2024	1,000,000	663,515,000	64.387%
3.100	2023 SERIES B-1	Fixed	1/1/2030	80,000	663,595,000	64.395%
3.050	2023 SERIES B-1	Fixed	7/1/2029	65,000	663,660,000	64.401%
3.000	2021 SERIES A	PAC	7/1/2051	15,110,000	678,770,000	65.867%
3.000	2021 SERIES B	PAC	7/1/2050	28,595,000	707,365,000	68.642%
3.000	2021 SERIES C-1	PAC	1/1/2052	25,420,000	732,785,000	71.109%
3.000	2022 SERIES A	PAC	7/1/2052	29,005,000	761,790,000	73.924%
3.000	2022 SERIES C-2	Fixed	1/1/2024	1,000,000	762,790,000	74.021%
3.000	2023 SERIES B-1	Fixed	1/1/2029	55,000	762,845,000	74.026%
2.950	2023 SERIES B-1	Fixed	7/1/2028	45,000	762,890,000	74.030%
2.900	2023 SERIES B-1	Fixed	1/1/2028	45,000	762,935,000	74.035%
2.850	2016 SERIES A-1	Fixed	7/1/2031	990,000	763,925,000	74.131%
2.850	2017 SERIES C-1	Fixed	7/1/2027	500,000	764,425,000	74.179%
2.800	2017 SERIES C-1	Fixed	1/1/2027	850,000	765,275,000	74.262%
2.750	2017 SERIES B-1	Fixed	1/1/2028	875,000	766,150,000	74.347%
2.750	2017 SERIES B-1	Fixed	7/1/2028	680,000	766,830,000	74.413%
2.700	2017 SERIES C-1	Fixed	7/1/2026	830,000	767,660,000	74.493%
2.700	2022 SERIES A	Fixed	7/1/2045	2,360,000	770,020,000	74.722%
2.650	2019 SERIES B	Fixed	7/1/2039	2,125,000	772,145,000	74.928%
2.600	2017 SERIES B-1	Fixed	1/1/2027	835,000	772,980,000	75.009%
2.600	2017 SERIES B-1	Fixed	7/1/2027	850,000	773,830,000	75.092%
2.600	2017 SERIES C-1	Fixed	1/1/2026	805,000	774,635,000	75.170%
2.600	2022 SERIES A	Fixed	7/1/2042	19,950,000	794,585,000	77.106%
2.550	2017 SERIES C-1	Fixed	7/1/2025	790,000	795,375,000	77.183%
2.550	2021 SERIES C-1	Fixed	7/1/2044	5,135,000	800,510,000	77.681%
2.500	2017 SERIES C-2	Fixed	1/1/2024	755,000	801,265,000	77.754%
2.450	2017 SERIES B-1	Fixed	7/1/2026	815,000	802,080,000	77.833%
2.450	2017 SERIES C-1	Fixed	1/1/2025	770,000	802,850,000	77.908%
2.400	2017 SERIES B-1	Fixed	1/1/2026	800,000	803,650,000	77.986%
2.400	2019 SERIES B	Fixed	7/1/2034	2,720,000	806,370,000	78.250%
2.400	2021 SERIES C-1	Fixed	7/1/2041	12,745,000	819,115,000	79.486%
2.350	2017 SERIES C-1	Fixed	7/1/2024	645,000	819,760,000	79.549%
2.350	2022 SERIES A	Fixed	7/1/2037	10,305,000	830,065,000	80.549%
2.300	2020 SERIES A	Fixed	7/1/2032	945,000	831,010,000	80.641%
2.300	2022 SERIES A	Fixed	1/1/2034	1,160,000	832,170,000	80.753%
2.300	2022 SERIES A	Fixed	7/1/2034	1,180,000	833,350,000	80.868%
2.250	2017 SERIES B-1	Fixed	7/1/2025	780,000	834,130,000	80.943%
2.250	2019 SERIES B	Fixed	7/1/2032	810,000	834,940,000	81.022%
2.250	2020 SERIES A	Fixed	1/1/2032	925,000	835,865,000	81.112%
2.250	2022 SERIES A	Fixed	1/1/2033	1,120,000	836,985,000	81.220%
2.250	2022 SERIES A	Fixed	7/1/2033	1,140,000	838,125,000	81.331%

Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
2.200	2017 SERIES B-1	Fixed	1/1/2025	760,000	838,885,000	81.405%
2.200	2019 SERIES B	Fixed	1/1/2032	800,000	839,685,000	81.482%
2.200	2020 SERIES A	Fixed	7/1/2031	910,000	840,595,000	81.571%
2.200	2021 SERIES C-1	Fixed	7/1/2036	11,460,000	852,055,000	82.683%
2.200	2022 SERIES A	Fixed	7/1/2032	1,100,000	853,155,000	82.790%
2.150	2019 SERIES B	Fixed	7/1/2031	780,000	853,935,000	82.865%
2.150	2021 SERIES A	Fixed	1/1/2045	6,745,000	860,680,000	83.520%
2.150	2021 SERIES C-1	Fixed	1/1/2033	1,020,000	861,700,000	83.619%
2.150	2021 SERIES C-1	Fixed	7/1/2033	1,035,000	862,735,000	83.719%
2.150	2022 SERIES A	Fixed	1/1/2032	1,075,000	863,810,000	83.824%
2.125	2021 SERIES B	Fixed	7/1/2041	22,090,000	885,900,000	85.967%
2.100	2019 SERIES B	Fixed	1/1/2031	765,000	886,665,000	86.041%
2.100	2021 SERIES C-1	Fixed	7/1/2032	1,005,000	887,670,000	86.139%
2.050	2017 SERIES B-1	Fixed	7/1/2024	745,000	888,415,000	86.211%
2.050	2019 SERIES B	Fixed	7/1/2030	755,000	889,170,000	86.284%
2.050	2020 SERIES B-1	Fixed	7/1/2039	715,000	889,885,000	86.354%
2.050	2021 SERIES A	Fixed	7/1/2041	9,825,000	899,710,000	87.307%
2.050	2021 SERIES C-1	Fixed	1/1/2032	985,000	900,695,000	87.403%
2.050	2022 SERIES A	Fixed	7/1/2031	1,055,000	901,750,000	87.505%
2.000	2017 SERIES B-1	Fixed	1/1/2024	730,000	902,480,000	87.576%
2.000	2021 SERIES C-1	Fixed	7/1/2031	965,000	903,445,000	87.670%
2.000	2022 SERIES A	Fixed	1/1/2031	1,040,000	904,485,000	87.771%
1.950	2020 SERIES B-1	Fixed	7/1/2035	14,850,000	919,335,000	89.212%
1.950	2021 SERIES C-1	Fixed	1/1/2031	950,000	920,285,000	89.304%
1.900	2021 SERIES A	Fixed	7/1/2036	5,160,000	925,445,000	89.805%
1.900	2021 SERIES B	Fixed	7/1/2036	10,690,000	936,135,000	90.842%
1.875	2021 SERIES B	Fixed	7/1/2033	1,680,000	937,815,000	91.005%
1.850	2021 SERIES B	Fixed	1/1/2033	1,645,000	939,460,000	91.165%
1.800	2021 SERIES A	Fixed	1/1/2033	795,000	940,255,000	91.242%
1.800	2021 SERIES A	Fixed	7/1/2033	810,000	941,065,000	91.320%
1.800	2021 SERIES B	Fixed	7/1/2032	1,620,000	942,685,000	91.478%
1.750	2020 SERIES B-1	Fixed	7/1/2032	2,310,000	944,995,000	91.702%
1.750	2021 SERIES A	Fixed	7/1/2032	785,000	945,780,000	91.778%
1.750	2021 SERIES B	Fixed	1/1/2032	1,585,000	947,365,000	91.932%
1.700	2020 SERIES B-1	Fixed	1/1/2032	2,270,000	949,635,000	92.152%
1.700	2021 SERIES A	Fixed	1/1/2032	775,000	950,410,000	92.227%
1.650	2020 SERIES B-1	Fixed	7/1/2031	2,230,000	952,640,000	92.444%
1.650	2021 SERIES A	Fixed	7/1/2031	755,000	953,395,000	92.517%
1.650	2021 SERIES B	Fixed	7/1/2031	1,565,000	954,960,000	92.669%
1.600	2020 SERIES B-1	Fixed	1/1/2031	2,185,000	957,145,000	92.881%
1.600	2021 SERIES A	Fixed	1/1/2031	750,000	957,895,000	92.953%
1.600	2021 SERIES B	Fixed	1/1/2031	1,535,000	959,430,000	93.102%
1.550	2020 SERIES B-1	Fixed	7/1/2030	2,140,000	961,570,000	93.310%
1.550	2021 SERIES B	Fixed	7/1/2030	1,505,000	963,075,000	93.456%
1.500	2020 SERIES B-1	Fixed	1/1/2030	2,105,000	965,180,000	93.660%
1.500	2021 SERIES B	Fixed	1/1/2030	1,480,000	966,660,000	93.804%
1.450	2020 SERIES B-1	Fixed	7/1/2029	2,065,000	968,725,000	94.004%
1.400	2019 SERIES B	Fixed	1/1/2024	580,000	969,305,000	94.061%
1.400	2019 SERIES B	Fixed	7/1/2024	590,000	969,895,000	94.118%

Coupon	Series	Type	Maturity	Amount	Cumulative	% of Total
1.400	2020 SERIES B-1	Fixed	1/1/2029	2,025,000	971,920,000	94.314%
1.400	2021 SERIES A	Fixed	7/1/2030	735,000	972,655,000	94.386%
1.400	2021 SERIES B	Fixed	7/1/2029	1,455,000	974,110,000	94.527%
1.350	2021 SERIES A	Fixed	1/1/2030	720,000	974,830,000	94.597%
1.300	2020 SERIES B-1	Fixed	7/1/2028	1,985,000	976,815,000	94.789%
1.300	2021 SERIES B	Fixed	1/1/2029	1,430,000	978,245,000	94.928%
1.250	2020 SERIES B-1	Fixed	1/1/2028	1,950,000	980,195,000	95.117%
1.150	2020 SERIES B-1	Fixed	7/1/2027	1,910,000	982,105,000	95.303%
1.150	2021 SERIES C-2	Fixed	7/1/2026	855,000	982,960,000	95.386%
1.050	2021 SERIES C-2	Fixed	1/1/2026	800,000	983,760,000	95.463%
0.950	2021 SERIES C-2	Fixed	7/1/2025	780,000	984,540,000	95.539%
0.850	2021 SERIES C-2	Fixed	1/1/2025	770,000	985,310,000	95.614%
0.750	2021 SERIES C-2	Fixed	7/1/2024	755,000	986,065,000	95.687%
0.650	2021 SERIES C-2	Fixed	1/1/2024	740,000	986,805,000	95.759%
Variable	2017 SERIES B-3	Variable	7/1/2047	23,000,000	1,009,805,000	97.991%
	2017 SERIES C-3	Variable	7/1/2047	20,705,000	1,030,510,000	100.000%

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**FORM OF SOCIAL BONDS ANNUAL REPORT****2023 Series D Bonds Proceeds Summary**

Total Original Lendable Proceeds

\$[\_\_\_\_\_]

Amount of Proceeds Spend to Acquire Mortgage-Backed Securities as of [date]

Bond Proceeds Remaining as of [date]

<b>Mortgage Loans (Pooled into Mortgage-Backed Securities) Originated by Borrower Income as a Percentage of Area Median Income (AMI)</b>		
<u>AMI Band</u>	<u>Loans (\$ millions)</u>	<u>Cumulative (%)</u>
Below 50%		
50.1% - 60%		
60.1% - 70%		
70.1% - 80%		
80.1% - 90%		
90.1% - 100%		
100.1% - 110%		
110.1% - 120%		
Above 120%		
Total		100%

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