

NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

FRIDAY, OCTOBER 14, 2022
9:00 a.m.

Nebraska Cattlemen Office
4611 Cattle Drive, Lincoln NE

Notice Published: October 9, 2022 – Omaha World Herald
October 9, 2022 – Lincoln Journal Star

11:30 a.m. - 12:00 p.m. Non-Business Luncheon

AGENDA

Open Meetings Act – Copies of the Open Meetings Act are located on the table at the entrance to the meeting room and can be accessed online at:

<https://www.nifa.org/about/board-of-directors>

1. Call Meeting to Order and Roll Call – 5 minutes
2. Public Comment Related to the October 14, 2022 Agenda Items (comment period limited to five minutes) – 5 minutes
3. Consent Agenda – 5 minutes
 - a. September 7, 2022 NIFA Board of Director Meeting Minutes
 - b. Executive Director's Report
 - c. Report on Homeownership Program
 - d. Report on Homeowner Assistance Fund
 - e. Report on Community Engagement Activities
 - f. Report on Collaborative Resource Allocation of Nebraska (CRANE)
 - g. Private Activity Bond Cap Summary

AGENDA

October 14, 2022

Consideration of a Motion to Approve the Minutes and Accept the Reports on the Consent Agenda as Presented

Action Items – 90 minutes

Programs Committee – 50 minutes

4. Consideration of a Motion to Approve Conditional Reservations for the 2023 9% Low-Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs – 35 minutes
5. Discussion Regarding the 2024/2025 Qualified Allocation Plan for the Low Income Housing Tax Credit (LIHTC) Program and the Nebraska Affordable Housing Tax Credit (AHTC) Program – 5 minutes
6. Review and Consideration of an \$800,000 Increase in the Amount of Private Activity Volume Cap Previously Allocated for the Issuance of Multifamily Revenue Bonds for Kennedy Square East, a Development to be Located in Omaha, Nebraska – 5 minutes
7. Update Regarding ARPA Gap Funding Program – 5 minutes

Audit Committee – 10 minutes

8. Consideration of a Motion to Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2022

Risk Management Committee – 10 minutes

9. Consideration of a Motion to Adopt the NIFA Bond Issuance Policy for Multifamily Housing Revenue Bonds

Single Family Housing Finance – 10 minutes

10. Review and Consideration for Approval to File Notice with the Nebraska Legislature and the Governor of the State of Nebraska of NIFA's Intent to Issue Single Family Housing Program Bonds in the Aggregate Principal Amount of up to \$500,000,000

AGENDA

October 14, 2022

General Action Items – 10 minutes

11. Adoption of State Bond Allocation for Westin Foods, LLC

Allocation: 22-30-006

Issuer: Jefferson County

Allocation Amount: \$3,500,000

Allocation Classification: Industrial Revenue

12. Ratification of Public Hearing held Monday, September 19, 2022 at 1:00 p.m. for the Following Project:

Colorado Health Facilities Authority Revenue Bonds
(CommonSpirit Health Project) Series 2022

Strategic Topic – 15 minutes

13. NIFA's Launch of FindHelp

NIFA Highlights

14. Update on NIFA's Next Bond Sale – 5 minutes

15. Announcements and Discussion of Upcoming Events – 5 minutes

- a. NCSHA Annual Conference, Houston, TX – October 22-25, 2022
- b. NIFA Webinar on FindHelp – November 9, 2022 at 10:00 a.m.

16. Non-Business Luncheon – 30 minutes

17. Adjournment

NEBRASKA INVESTMENT FINANCE AUTHORITY

**BOARD OF DIRECTORS MEETING
(Board Member Training)**

**NIFA Conference Room
1230 O Street, Suite 200, Lincoln NE**

Minutes of Wednesday, September 7, 2022 – 1:00 P.M.

**Notice Published: September 4, 2022 – Omaha World Herald
September 4, 2022 – Lincoln Journal Star
[Affidavits Attached]**

Open Meetings Act - Copies of the Open Meetings Act were located on the table at the entrance to the meeting rooms, posted against the wall, and online at <https://www.nifa.org/about/board-of-directors>.

Board Members Present: Susan Bredthauer
Warren Arganbright
Michael Walden-Newman
Colten Zamrzla
Galen Frenzen

Board Members Absent: Steve Wellman
George Achola
Herb Freeman
Tony Goins

NIFA Staff Present: Shannon Harner, Executive Director and Board Secretary
Sheila Gans, Program Support Specialist and Board Clerk
Christie Weston, Deputy Director
John Turner, Partner & Program Development Manager
Joe Spitsen, Program & Education Coordinator
Robin Ambroz, Deputy Director of Programs and Marketing
Elizabeth Fimbres, Community Engagement Manager
Susan Pulec, Data Analyst

Guests: Patti Peterson, Kutak Rock LLP
Casey Putney, Business Ethics Alliance

1. Call Meeting to Order and Roll Call

Vice-Chair Arganbright called the meeting to order at 1:07 p.m. with five members present. Arganbright reported that copies of the Open Meetings Act were posted on the side wall and located on the table at the entrance to the room and posted on the NIFA website. The notice of the meeting

was published on Sunday, September 4, 2022 in the Omaha World Herald and Lincoln Journal Star. Affidavits of publication are attached.

2. Public Comment Related to the September 7, 2022 Agenda Items (comment period limited to five minutes)

Vice-Chair Arganbright opened the public comment period and asked if anyone wished to comment on any of the agenda items and directed that they come forward and state their name for the record. No individuals came forward and the public comment period was closed.

3. Consent Agenda

Vice-Chair Arganbright introduced the Consent Agenda and asked if any board member wished an item be removed from the Consent Agenda and placed on the agenda. No items were removed from the Consent Agenda.

- a. August 19, 2022 NIFA Board of Director Meeting Minutes

MOTION: Moved by Frenzen, seconded by Zamrzla to approve the minutes.

Via roll call vote, the following votes were recorded:

Voting AYE: Walden-Newman, Bredthauer, Arganbright, Frenzen and Zamrzla

Absent: Wellman, Achola, Freeman and Goins.

The motion passed unanimously.

Educational Topic

4. Board Member Training Session

Casey Putney of Business Ethics Alliance led a discussion on Governing Board Ethics. The discussion covered confidentiality of board information, accountability, and conflicts of interest.

5. Announcements and Discussion of Upcoming Events

The Annual NCSHA Conference will take place in Houston, TX on October 22-25, 2022.

6. Adjournment

Moved by Frenzen to adjourn at 2:38 p.m.

Respectfully submitted,



Shannon R. Harner

Executive Director and Board Secretary



October 2022
Board Meeting Executive Director Report

NIFA Board Members:

General and Departmental Updates:

Finance and Accounting – is currently preparing to implement a new workflow module and process that will streamline the payables process.

Tax Credit Compliance – is preparing to finish the site inspections for congressional district three.

Tax Credit Allocation – has been building out their use of the Engage platform for communication with their current developers/projects. They have received good feedback regarding ease of use and availability of information. They are also hard at work on the ARPA program details, as you will hear during the meeting update.

Homeownership – is preparing to launch the Welcome Home workforce lending program statewide on October 17th. Reservations in the pilot program have been gaining steam. The overall bond program team, including our outside consultants, have been planning for future needs for Welcome Home funding. We look forward to reporting on the program's progress at the December meeting.

Community Engagement – launched FindHelp – which is our strategic topic this month. The team is also working on the next NIFA Conference, among many other priorities.

HR – NIFA is in process of hiring its new Marketing Manager.

Ag – Dudley has been attending several conferences, reaching out to community colleges with Ag programs and continuing to work on potential program improvements as outlined at the last Board meeting.

Meeting Action or Discussion Items:

Program Committee:

We will consider approval of Conditional Reservations for the 2023 9% LIHTC/AHTC program. The information for your review is provided with the Board book – please take some time to review all of the project submissions.

In addition, there will be some discussion about the process of starting the 2024/2025 QAP and scheduling of a Developer discussion with the Board, as previously requested. Based on Board input, we will have the Developer discussion prior to the Board's QAP policy discussion. Finally, the Board will consider a request for an increase in the amount of

Private Activity Volume Cap for a previously awarded 4% project and Sara will provide an update on the ARPA funds program's progress.

Audit Committee:

As you are aware, NIFA selected Eide Bailly as its new auditors. We will have the project lead from Eide Bailly at our meeting to present the audit results to the Board for your consideration of approval.

Risk Management Committee:

We will consider revisions to the current multifamily bond policy, as outlined at the last Board meeting. Revisions are intended to bring NIFA's policies into alignment with current market practices, while still ensuring that NIFA remains cognizant of conduit bond issuance implications relating to NIFA's reputation.

Other:

The Board will be asked to consider approval related to filing a notice of NIFA's intent to issue Single Family Housing Program Bonds. As usual, this will set us up to receive authorization at the December meeting for the anticipated 2023 single family bond issuances.

There is an additional IDB request for a \$3.5M bond issuance for Jefferson County and also a request to ratify a public hearing held for the Colorado Heath Facilities.

Other Updates:

Statewide ERA: The State's Emergency Rental Assistance Program ended on September 30, 2022.

HAF: The updated dashboard can be found at <https://nebraskahaf.com/resources>

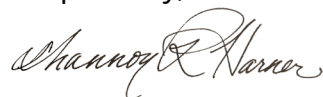
Engagement Opportunities:

Below are some opportunities to engage:

NIFA – In November there will be a Webinar Wednesday on our new FindHelp tool.

I look forward to seeing you at the Board meeting!

Respectfully,



Shannon R. Harner

HOMEOWNERSHIP PROGRAM REPORT

Board of Directors Meeting
October 14, 2022

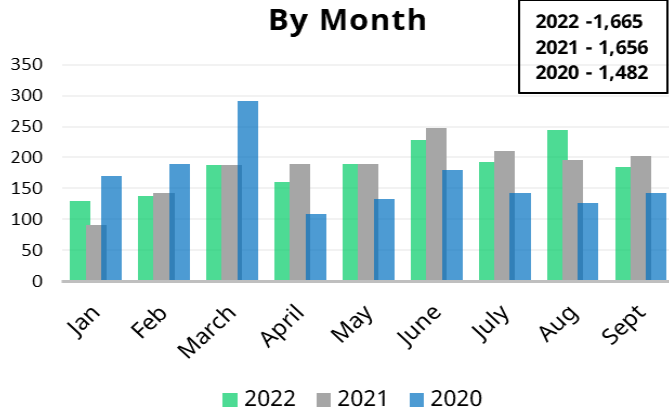
FIRST HOME PROGRAMS YTD 2022 Reservation Activity As of 9/30/22

# Loan Reservations	1,665
\$ Loan Reservations	\$294,925,069
Average 1st Loan Amount	\$177,132
Average 2nd Loan Amount	\$8,069
Urban Areas	60%
Rural Areas	40%

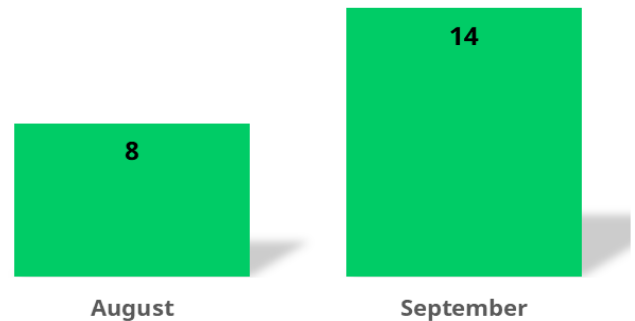
WELCOME HOME PROGRAMS YTD 2022 Reservation Activity As of 9/30/22

# Loan Reservations	22
\$ Loan Reservations	\$4,303,853
Average 1st Loan Amount	\$195,630
Average 2nd Loan Amount	\$9,535
Urban Areas	23%
Rural Areas	77%

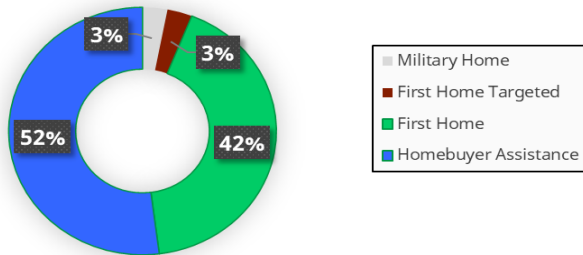
By Month



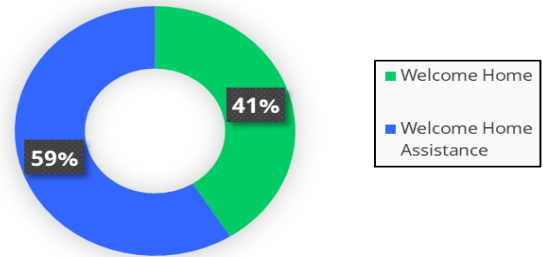
By Month



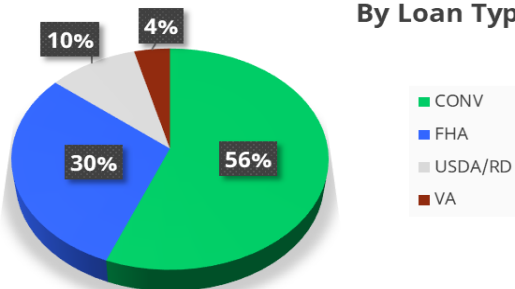
By Program



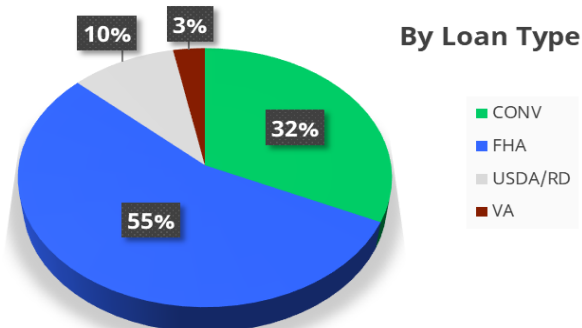
By Program



By Loan Type



By Loan Type



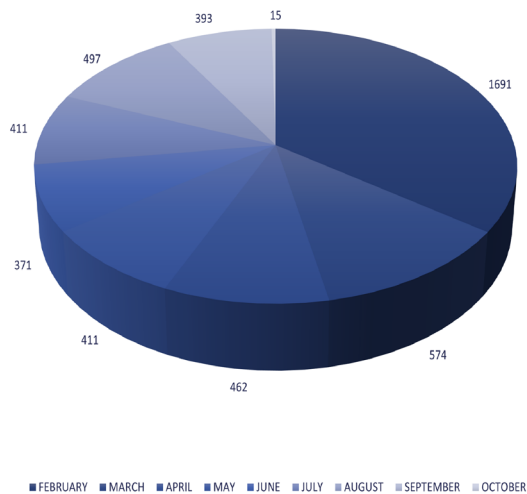
The Welcome Home Program was released on August 15th as a pilot program for rural areas only. It will be available to Homebuyers and Lenders statewide on October 17th.

Nebraska Homeownership Assistance Fund – October Board Report

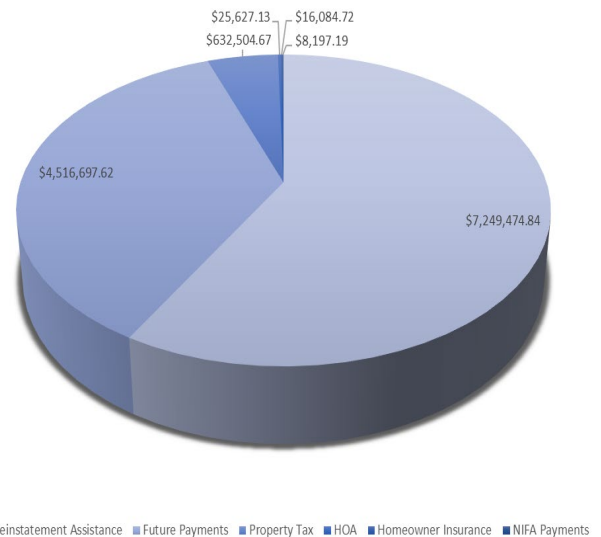
TOTALS

APPLICATIONS	4,825
COUNTIES	81/93
APPROVED	1,438
FUNDED	1,237
REFERRED TO NHDA	216

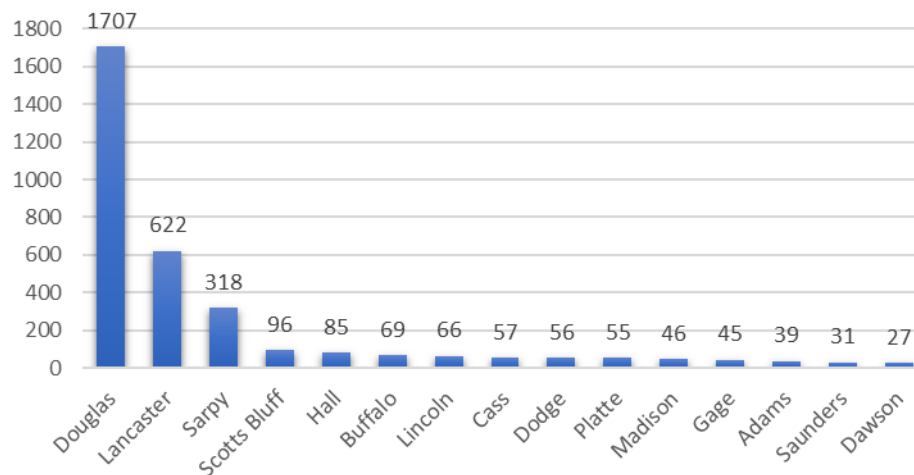
NUMBER OF APPLICATIONS BY MONTH



TOTAL FUNDS AWARDED BY PROGRAM TYPE



TOP 15 APPLICATIONS BY COUNTY





COMMUNITY ENGAGEMENT REPORT

October 2022



Nebraska Urban Indian Health Coalition

The newest addition to the NUIHC Campus, the Administration and Services Building, held a grand opening on September 23rd. This addition is located directly across the street from the Eagle Heights Apartments and provides services to the residents. Eagle Heights was awarded Low Income Housing Tax Credits (LIHTCs) in 2018 in the amount of \$6,394,890 and Nebraska Affordable Housing Tax Credits in the amount of \$3,836,934. The project is a four-story building with a total of 44 apartments in a mix of 12 studios and 13 one-bedroom, 14 two-bedroom and 5 three-bedroom units.



Webinar Wednesday

NIFA continues to find success in our Webinar Wednesday Series. Since our last report, we had two webinars:



"A Future in Farming," which featured a panel of experts discussing how they are continuing the legacy of farming while encouraging new farmers to keep the Agribusiness industry thriving.



Esusu: Helping People Build Credit Through Renting

"Esusu: Helping People Build Credit Through Renting." This webinar highlighted Esusu, a company dedicated to helping renters by reporting on-time rent payments to the three major credit reporting agencies, as well as offering a rent relief product to participating property managers.

Emergency Rental Assistance Program

From March 2021 through September 2022, NIFA staff was fully immersed in the State Emergency Rental Assistance Program (ERAP), which included all areas of the state except Lincoln/Lancaster County and Omaha/Douglas County. The Community Engagement staff provided consistent marketing and outreach on behalf of that program while filling program gaps to ensure tenants and landlords received the maximum benefits from the program. NIFA's work throughout the duration of this pandemic relief program represented all of our core values as we built new partnerships, assured proper spending, advocated for people in need, and marketed essential information throughout the coverage area. ERAP paid \$26,366,062 via 13,700 awards to over 4,800 households.

Latino Festival 2022



On September 27, 2022, El Centro de las Americas hosted their 4th annual Latino Festival at Antelope Park in Lincoln. The NIFA Community Engagement team was on hand to provide information about the Nebraska Homeowner Assistance Fund (NHAFA), homebuyer opportunities, and other NIFA programs.

Hundreds of people attended the cultural celebration, enjoying food, music, traditional crafts, and learning about the various opportunities available to them.

We were also able to connect with other nonprofit partners in the city and across the state.



Project Connect

Project Connect is an annual one-day event where Lincoln services come together to help people who are homeless or at risk of homelessness. Several members of NIFA staff volunteered at the event that was held at Pinnacle Bank Arena. NIFA has been involved in the planning of this event since its inception. The event brings valuable resources and services to those in need.



Legal Aid Luncheon

NIFA sponsored and attended the Friends of Legal Aid Luncheon on September 29. The keynote speaker was author Rachel Louise Snyder, who explores the real roots of domestic violence, its far-reaching consequences for society, and what it will take to truly address it.

Schuyler Housing Study Listening Session



Joe Spitsen - Program and Education Coordinator, attended a listening session at the Schuyler Public Library on October 5. The event was hosted by RDG Planning & Design on behalf of Schuyler Community Development (SCD). It was one of ten sessions held on October 4 and 5. The discussions were intended to take the temperature of the town, helping SCD understand the housing challenges people are facing so they can work to address their needs. Popular responses were a need for multi-generational housing and accessory dwelling units (ADUs).



Homes built in the Highlander neighborhood at Seventy Five North in Omaha were highlighted as a successful development that they would like to emulate in Schuyler.

CRANE Public Meeting Report
via Zoom
August 24, 2022
9:00 a.m.

Attendees (via Zoom): Lynn Gorman, Alex Bullington, Jay Kline, White Lotus Group; John Trouba, Department of Health and Human Services-Division of Behavioral Health; Mechele Grimes, Department of Economic Development; and Pamela Otto, NIFA.

Meeting called to order by Pamela Otto at 9:01 a.m.

Grand Island Liberty Campus – Grand Island

Lynn Gorman reported that they will have a response to NIFA before the September 1, 2022, deadline. Category 1.

Stephen Center – Omaha

Darin Smith was not on the call due to technical issues.

Meeting adjourned: 9:07 a.m.

CRANE APPLICATION LIST

NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
(updated 8/24/22)

NIFA PROJECT #	PROJECT NAME & ADDRESS	APPLICANT NAME	COUNTY	TOTAL UNITS	LIHTC UNITS	MARKET UNITS	# OF BLDGS	PROJECT TYPE	PROFIT STATUS	FINANCING SOURCES	ESTIMATED COST	LIHTC REQUESTED	AHTC REQUESTED	CATEGORY DESIGNATION
7-1016	Grand Island Liberty Campus 2300 West Capital Avenue Grand Island, NE 68803-2003	Liberty Campus GI, LLC 10404 Essex Court, Suite 101 Omaha, NE 68114 Lynn Gorman: 402.557.6824	Hall	48	48	0	2	Adaptive/Reuse Non-Metro Multifamily Seniors Veterans Housing CDBG-DR	For Profit	HOME Funds-\$500,000 Tax Increment Financing Federal Historic Tax Credits State Historic Tax Credits Deffered Developer Fee Donation of Land & Buildings	\$ 17,433,784	\$ 800,000	\$ 800,000	Category 1
Stephen Center				48	48	0	2				\$ 17,433,784	\$ 800,000	\$ 800,000	Category 4

NEBRASKA INVESTMENT FINANCE AUTHORITY
PRIVATE ACTIVITY CAP-ALLOCATION STATUS
CALENDAR YEAR 2022

AS OF 10/14/22

	50%	20%	30%	335,115,000	
	Single Family Housing Carryforward	Statewide Housing	Ag/ IDB/ Non Statewide Housing	Governor's Discretionary	GRAND TOTAL
Beginning Allocation	814,307,374.40	167,557,500.00	67,023,000.00	100,534,500.00	1,149,422,374.40
Allocations To Date	(179,999,988.00)	0.00	(57,546,118.00)	0.00	(237,546,106.00)
Conditional Allocations			0.00		0.00
Ag Allocation Reserved			(3,253,882.00)		(3,253,882.00)
CategoryTransfers			0.00	0.00	0.00
Balance Remaining	634,307,386.40	167,557,500.00	6,223,000.00	100,534,500.00	908,622,386.40

† 50%/50% allocation schedule waived for 2022 and 2023 per Executive Order #22-03

Ag/IDB/Non Statewide Housing-Allocation Detail					
	AG	IDB	MF		Total
	Amount	Project	Amount	Project	Amount
				Foxtail South-Lincoln	(15,000,000.00)
				Kennedy Sq East-Omaha	(12,900,000.00)
				Prairie View-Kearney	(8,900,000.00)
				Timbercreek -Omaha	(19,000,000.00)
Total Allocated	(1,746,118.00)		0.00		(55,800,000.00)
Ag Allocation Reserved	(3,253,882.00)		0.00		0.00
Total Used	(5,000,000.00)		0.00		(55,800,000.00)
*Represents a Conditional Allocation					
					(60,800,000.00)

Ag/IDB/Non Statewide Housing-Allocation by Congressional District				
District	AG	IDB	MF	Total
1	0.00	0.00	(15,000,000.00)	(15,000,000.00)
2	0.00	0.00	(31,900,000.00)	(31,900,000.00)
3	(1,746,118.00)	0.00	(8,900,000.00)	(10,646,118.00)
Total	(1,746,118.00)	0.00	(55,800,000.00)	(57,546,118.00)

CARRYFORWARD DETAIL				
Originated	2019	2020	2021	TOTAL
Expires	2022	2023	2024	
NIFA Single Family Housing				
Beginning	221,130,677.40	319,011,497.00	274,165,200.00	814,307,374.40
Used	(179,999,988.00)			(179,999,988.00)
Ending	41,130,689.40	319,011,497.00	274,165,200.00	634,307,386.40
Other Issuers				
Beginning			24,000,000.00	24,000,000.00
Used			(18,000,000.00)	(18,000,000.00)
Ending			6,000,000.00	6,000,000.00

NIFA Board of Directors Meeting

October 14, 2022

Agenda Item #4

Consideration of Approval of Conditional Reservations for 2023 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs

Background Information:

- Seventeen (17) applications were received by NIFA for consideration in the 2023 LIHTC and AHTC Program (9% LIHTC and AHTC) under the competitive process.
- Nine (9) applications were for developments to be located in metro areas and eight (8) applications were for developments to be located in non-metro areas.

NIFA and NDED staff members reviewed each application. The scoring methods followed are in accordance with the 2022-2023 Housing Credit Allocation Plan for 9% LIHTC/AHTC, which was approved December 10, 2021, by the NIFA Board of Directors and approved by Governor Pete Ricketts on December 23, 2021.

Recommended Action:

The Board will be asked to make conditional reservations of 9% LIHTC/AHTC from the 9% competitive cycle, per the recommendations of the Programs Committee.

NIFA Programs Committee
Report to the Board of Directors
October 14, 2022

Committee Members:

Herb Freeman, Chair
Susan Bredthauer
Michael Walden-Newman
Colten Zamrzla

Others Attending:

Shannon Harner
Robin Ambroz
Sara Tichota
Pamela Otto

Meeting Details:

Thursday, October 6, 2022, at 10:30 AM via Video Conference

Summary of Meeting Discussion:

2023 LIHTC /AHTC Conditional Reservation Review and Recommendation

Sara provided an overview of the LIHTC/AHTC 9% Competitive Cycle applications. Discussion regarding the annual LIHTC/AHTC allocation, recommendation methodology, and forward commitments occurred. Colten Zamrzla moved that the Programs Committee recommend to the board approval of a Motion to Approve Conditional Reservations for 2023 LIHTC and AHTC Programs. Seconded by Susan Bredthauer. Approved unanimously.

2023/2025 Qualified Allocation Plan ("QAP") Planning Process

NIFA staff provided an overview of the upcoming QAP Planning Process. The importance of the Developer and NIFA Board Focus Group meeting was reinforced by the committee and discussion regarding the format and content of said meeting took place.

NIFA LIHTC Gap Financing Program (SLFRF/ARPA)

Sara provided an update on the program.

Recommended for Board Action: Motion to Approve Conditional Reservations for 2023 LIHTC and AHTC Programs.

Committee adjourned at 11:21 AM.

**NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
2023 9% LIHTC FINAL APPLICATION LIST
(updated 9/1/2022)**

NIFA PROJECT #	DEVELOPMENT NAME and ADDRESS	LIHTC/AHTC APPLICANT	COUNTY COUNTY	TOTAL UNITS	LIHTC UNITS	MARKET UNITS	# OF BLDGS	PROJECT TYPE	PROFIT STATUS	FINANCING SOURCES	ESTIMATED COST	LIHTC REQUESTED	AHTC REQUESTED
7-1033	Southlawn V various addresses Grand Island, NE 68801	Midwest Housing Initiatives P.O. Box 5425 Lincoln, NE 68505 Corey Vandewege: 402.434.2523	Hall	36	28	8	7	Rehabilitation Non-Metro Multifamily Seniors Disaster Declaration	For Profit	Conventional Loan NDED HOME - \$500,000 Deferred Developer Fee Owner Equity	\$5,702,329	\$343,958	\$343,958
7-1034	Cardinal Commons I 1012 Kasper Street Bellevue, NE 68147	Midwest Housing Initiatives P.O. Box 5425 Lincoln, NE 68505 Corey Vandewege: 402.434.2523	Sarpy	36	28	8	19	New Construction Metro Duplex Seniors Disaster Declaration Housing CDBG-DR	For Profit	Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee	\$11,666,132	\$663,461	\$663,461
7-1035	Wilderness Falls III W 31st Street and Cornhusker Court Falls City, NE 68355	Midwest Housing Initiatives P.O. Box 5425 Lincoln, NE 68505 Corey Vandewege: 402.434.2523	Richardson	16	13	3	8	New Construction Non-Metro Duplex Seniors Disaster Declaration	For Profit	NDED HOME - \$500,000 Deferred Developer Fee	\$4,785,856	\$335,902	\$335,902
7-1036	Kennedy Square West NW Corner of N. 30th St & Bedford Ave Omaha, NE 68111	Brinshore Development, LLC 1603 Orrington Avenue, Suite 450 Evanston, IL 60201 Todd Lieberman: 224.927.5061	Douglas	39	27	12	1	New Construction Metro Multifamily Disaster Declaration Housing CDBG-DR	Non-Profit	CDBG-DR - \$2,000,000 Other Federal Loans Deferred Developer Fee OHA, CHOICE Neighborhood	\$14,691,096	\$700,000	\$700,000
7-1037	Purple Martin 6506 N. 180th Street Omaha, NE 68022	Sheltering Tree, Inc. PO Box 4990 Omaha, NE 68104 Denise Gehringer: 402.937.0229	Douglas	48	44	4	2	New Construction Metro Multifamily Special Needs	Non-Profit	Deferred Developer Fee Owner Equity	\$14,394,774	\$911,208	\$911,208
7-1038	Taylor Villas South of 16th Street & E of Avenue M Kearney, NE 68847	Mesner Development Co. 1415 16th Street, PO Box 335 Central City, NE 68826 Kathy Mesner: 308.946.3826	Buffalo	22	18	4	11	New Construction Non-Metro Duplex/Tri-Plex Seniors Disaster Declaration	For Profit	Conventional Loan NDED HOME - \$650,000 Deferred Developer Fee	\$6,173,132	\$365,303	\$365,303
7-1039	Magnolia Pointe S of 29th St & W of North Yager Rd Fremont, NE 68025	Mesner Development Co. 1415 16th Street, PO Box 335 Central City, NE 68826 Kathy Mesner: 308.946.3826	Dodge	20	20	0	10	New Construction Non-Metro Duplex Seniors Disaster Declaration Housing CDBG-DR	For Profit	Conventional Loan CDBG-DR - \$2,000,000 Owner Equity	\$5,817,667	\$257,332	\$257,332
7-1040	Matson Villas 800 Matson Street Aurora, NE 68818	Mesner Development Co. 1415 16th Street, PO Box 335 Central City, NE 68826 Kathy Mesner: 308.946.3826	Hamilton	18	14	4	9	New Construction Non-Metro Duplex Seniors	For Profit	Conventional Loan NDED HOME - \$650,000 Deferred Developer Fee	\$4,356,777	\$229,978	\$229,978
7-1041	128 Fort 12805 Fort Street Omaha, NE 68164	128 Fort, LLC 1886 S 126th Street Omaha, NE 68144 Rob Woodling: 402.504.3248	Douglas	64	51	13	1	New Construction Metro Multifamily Seniors Disaster Declaration Housing CDBG-DR	For Profit	Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee Owner Equity	\$18,683,027	\$700,000	\$700,000
7-1042	Vintage Rows Liberty Drive, South of 13th Street Lexington, NE 68850	Hoppe & Son, LLC 5631 S 48th Street, Suite 220 Lincoln, NE 6816 Jacob Hoppe: 402.489.1600	Dawson	35	28	7	6	New Construction Non-Metro Multifamily Rowhomes Seniors Disaster Declaration	For Profit	Conventional Loan NDED HTF - \$669,000 Tax Increment Financing Deferred Developer Fee City of Lexington	\$8,620,298	\$411,109	\$411,109
7-1043	The Home at Delago 2013 Lola Avenue Bellevue, NE 68147	Straightline Development, LLC 16255 Woodland Drive Omaha, NE 68136 Jim Posey: 402.660.9700	Sarpy	20	16	4	20	New Construction Metro Single Family Disaster Declaration Housing CDBG-DR	For Profit	Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee	\$8,130,494	\$338,440	\$338,440

**NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
2023 9% LIHTC FINAL APPLICATION LIST
(updated 9/1/2022)**

NIFA PROJECT #	DEVELOPMENT NAME and ADDRESS	LIHTC/AHTC APPLICANT	COUNTY COUNTY	TOTAL UNITS	LIHTC UNITS	MARKET UNITS	# OF BLDGS	PROJECT TYPE	PROFIT STATUS	FINANCING SOURCES	ESTIMATED COST	LIHTC REQUESTED	AHTC REQUESTED
7-1044	Townhomes at Spaulding 5110 Spaulding Street Omaha, NE 68104	Straightline Development, LLC 16255 Woodland Drive Omaha, NE 68136 Jim Posey: 402.660.9700	Douglas	16	13	3	4	New Construction Metro Townhomes Disaster Declaration Housing CDBG-DR	For Profit	Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee	\$5,488,698	\$164,411	\$164,411
7-1045	Corby 38 Limited Partnership 4324 Fort Street Omaha, NE 68111	Holy Name Housing Corporation 4324 Fort Street Omaha, NE 68111 Matthew Cavanaugh: 402.453.6100	Douglas	24	24	0	24	New Construction Metro Single Family Disaster Declaration	Non-Profit	Conventional Loan CDBG-DR - \$2,000,000 Owner Equity	\$9,336,432	\$469,676	\$469,676
7-1046	Northern View Homes - Phase II 1320-1395 S 14th Avenue Blair, NE 68008	Straightline Development, LLC 16255 Woodland Drive Omaha, NE 68136 Jim Posey: 402.660.9700	Washington	15	12	3	15	New Construction Metro Single Family Disaster Declaration	For Profit	Conventional Loan NDED NAHTF - \$500,000 Deferred Developer Fee Owner Equity	\$6,392,376	\$354,224	\$354,224
7-1047	Victory Park View 600 S. 70th Street Lincoln, NE 68510	Burlington Capital Real Estate LLC 1004 Farnam St., Suite 400 Omaha, NE 68102 George Achola: 402.930.3090	Lancaster	94	75	19	2	Acq. Rehab Metro Multifamily Seniors Veterans	For Profit	Conventional Loan Tax Increment Financing Deferred Developer Fee	\$17,586,454	\$961,716	\$961,716
7-1048	Crete Senior Villas E 29th Street & Betten Drive Crete, NE 68333	AMD Partners LLC 5775 NW 64th Terrace, Suite 203 Kansas City, MO 64151 Andrew Danner: 816.612.5191	Saline	30	30	0	1	New Construction Non-Metro Multifamily Seniors	For Profit	Conventional Loan NDED HTF - \$1,200,000 Deferred Developer Fee	\$8,011,434	\$462,490	\$462,490
7-1049	Hartington CROWN TBD Nordby Avenue Hartington, NE 68739	Hartington CROWN, LLC 1886 S 126th Street Omaha, NE 68144 Rob Woodling: 402.504.3248	Cedar	15	12	3	15	New Construction Non-Metro Single Family Disaster Declaration	For Profit	NDED HOME - \$750,000 Deferred Developer Fee Owner Equity	\$4,631,544	\$300,000	\$300,000
TOTAL				548	453	95	155				\$154,468,520	\$7,969,208	\$7,969,208

Metro/Non-Metro	Threshold Criteria	Other Selection Criteria	Targeting Gross Rents	Efficient Housing Production - Cost Per Unit	Efficient Housing Production - Cost Per Sq. Foot	Efficient Housing Production - LIHTC Per Occupant	Natural Disaster	Total Score
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Metro	Yes	54.75	5	2	2	2	2	67.75
Metro	Yes	46.5	5	1.5	1.5	1.5	3	59.00
Metro	Yes	51	5	0	0.5	0.5	2	59.00
Metro	Yes	37.75	2	0.5	0	0	2	42.25
Metro	No							
Metro	No							
Metro	No							
Metro	No							
Metro	No							

Non-Metro	Yes	55	5	2	1	1	2	66.00
Non-Metro	Yes	54.5	5	1.5	1.5	0.5	0	63.00
Non-Metro	Yes	53	5	0	2	2	0	62.00
Non-Metro	Yes	53	5	0	0	0	2	60.00
Non-Metro	Yes	51	5	0.5	0.5	0	2	59.00
Non-Metro	Yes	47.5	5	0.5	0	2	3	58.00
Non-Metro	Yes	46.5	5	2	1.5	1	2	58.00
Non-Metro	Yes	48	5	0	0	0	2	55.00

	=Recommended for Conditional Reservation
	=Did not meet threshold
	=Metro Alternate
	=Non-Metro Alternate

Metro

Cardinal Commons I - Bellevue, Nebraska

Project Description

The proposed Cardinal Commons I project is located at 1012 Kasper Street, Bellevue, Sarpy County, Nebraska. The Cardinal Commons I project will consist of the new construction of 18 senior duplexes (36 units). All 36 units will consist of two bedrooms and one bathroom.

The Cardinal Commons I site is comprised of approximately 11 acres. The site is close to several grocery and retail shopping areas, as well as medical services and pharmacies. Project activities will consist primarily of the new construction of the 18 senior duplexes (36 units), infrastructure work, site work, demolition of a horse barn and three sheds, and repurposing a single-family home into a community building for Cardinal Commons I resident use.

Unit Makeup (*Area Median Income - AMI*)

- 9 two-bedroom units at 60% AMI and 60% AMI rent levels - \$700 a month*
- 15 two-bedroom units at 60% AMI and 50% AMI rent levels - \$660 a month*
- 4 two-bedroom units at 60% AMI and 40% AMI rent levels - \$600 a month*
- 8 two-bedroom units at Market Rate rent levels - \$800 a month*

**Water, Sewer, and Trash services paid by owner*

These attractive and marketable units will be single levels with exterior features such as partial brick and landscaping. Amenities will include a community building with a storm shelter, single-car garage, washer, dryer, dishwasher, refrigerator, stove, microwave, storage area, and a rear patio. The Cardinal Commons I project will pay for up to 432 round trips of transportation, 12 per household, using the Omaha Metro Public Transportation. Also, the Cardinal Commons I project will pay annual renter's insurance for all residents that request insurance. All of the units will consist of two bedrooms and one bathroom (1,034 sq. ft. of living area + 292 sq. ft. of garage area + 53 sq. ft. of storage area = 1,379 total sq. ft.). Two units will be accessible units and one unit will be accessible for persons with sensory (hearing or vision) impairments. All units will meet the current International Energy Conservation Code used by the City of Bellevue and several Green Standards.

The preliminary anticipated total project cost for Cardinal Commons I is approximately \$11,666,132. The funding for the project is comprised of: tax credit equity (Federal and State) of \$8,226,094, CDBG-DR funds totaling \$2,000,000, deferred developer fees of \$518,845 and permanent financing of \$921,193. CDBG-DR funds will be used for site acquisition, utilities, architect and engineering fees, and legal fees. We anticipate this being a 30 or 40-year loan.

The City of Bellevue was one of the hardest hit areas from the record breaking 2019 floods. Bellevue is included in HUD's designated most Impacted and Distressed (MID) areas. According to the Sarpy County & Communities, Nebraska County-Wide Housing Study with Strategies for Housing Affordability findings a majority of the 399 lost housing units in Sarpy County due to the 2019 disaster, an estimated 340 units, were in areas occupied by low- to moderate-income individuals and families. This includes an estimated 200 manufactured, modular and mobile homes in the City of Bellevue. At least 278 rental units are recommended for very-low and low-income Sarpy County households by 2025. An estimated 154 rental housing units should be designated for seniors in the City of Bellevue.

The Cardinal Commons I project will bring much needed affordable housing to Bellevue, NE, will benefit low- to moderate-income persons, and will increase community resiliency in the face of future natural disasters by adding affordable housing in non-flood zone areas of Bellevue.

KENNEDY SQUARE WEST

Project Summary

Kennedy Square West is the 39-unit fifth phase of the North 30th HUD Choice Neighborhoods Implementation (CNI) Grant. Kennedy Square West is part of the redevelopment of the former Spencer Homes Public Housing site into a mixed-income community offering a variety of housing types to a range of household sizes. The new construction project will consist of one four-story elevator building offering one, two and three-bedroom units.



Context

Located just over one mile from downtown, one mile from the largest medical cluster in the region and within two blocks of Highway 75N, the Kennedy Square West site is well located both locally and regionally. With the Nebraska Early Childhood Collaborative located directly across Bedford Avenue and Howard Kennedy Elementary School located two blocks to the south, Kennedy Square West will offer families unparalleled proximity to educational opportunities. Kennedy Square West will build on the success of the Accelerator Campus and Highlander's residential phases offering residents a number of neighborhood amenities within a short walk.

Unit/Income Mix

69% of the 39 units will be income restricted at below 40-60% AMI. 15 of these units will have Project Based Vouchers. 31% or 12 of the 39 units will be unrestricted market rate units.

Type	Count	Monthly Rent
1 Bedroom	9	\$630-830
2 Bedroom	27	\$750-1,025
3 Bedroom	3	\$1,060
Total	39	

Developer Background

Kennedy Square West is a collaboration between Brinshore Development, LLC (Brinshore), Seventy-Five North Revitalization Corporation (75N), and the Omaha Housing Authority (OHA).

Design and Amenities

The development will be designed to market rate standards and will have a unique contemporary look. Project amenities are designed to serve households of a variety of sizes and include a community room, management office, fitness area, community garden and patio, and in-unit washers and dryers. In addition, The development will include ground-floor micro-retail spaces for neighborhood businesses and non-profits.

Development Team

The project is being designed by El Dorado Architecture from Kansas City, MO, the same architect as the Accelerator campus. Ehrhart Griffin and Associates will provide civil engineering services. Seldin Company will be the property manager. To date, we have employed an integrated design process.

Financing

The project will be financed with a mix of 9% Federal and State Low Income Housing Tax Credit (LIHTC) Equity, Community Development Block Grant – Disaster Recovery (CDBG-DR), CHOICE Neighborhoods Critical Community Improvement (CCI) funds and deferred developer fee.

Economic Impact

As an infill development, Kennedy Square West will plug into existing city services and schools. The Highlander redevelopment effort has included investment in the Howard Kennedy Elementary School which will serve Kennedy Square West. Kennedy Square West addresses the need for quality affordable housing in North Omaha by offering a variety of unit types from one- to three-bedroom units at a variety of income levels. In addition, it will create several permanent full-time jobs and a number of construction jobs.

EXHIBIT NO. 1
SUMMARY

PURPLE MARTIN APARTMENTS



PURPLE MARTIN APARTMENTS
LIHTC DEVELOPMENT – SHELTERING TREE, INC.

Sheltering Tree, Inc. is a 501(c)(3) organization tackling a big issue-the urgent need for affordable housing for adults with developmental disabilities (DD).

Sheltering Tree is dedicated to serving persons with DD through consumer-controlled, affordable, supportive, and safe apartment communities. This housing model empowers adults with DD to live self-determined lives and to be engaged in their community.

With the experience of seven years of successful operation of two affordable, elaborate housing developments, Sheltering Tree is equipped with an effective and sustainable model set for future developments.

Sheltering Tree currently has a waiting list of 180+ prospective residents, and a population of more than 25,000 adults with DD living in Nebraska. Sheltering Tree apartment living includes 24/7 Resident Assistant monitored safety and security.

To assist both future and current residents with DD in realizing long-term apartments living success, Sheltering Tree offers a community-centered program appropriately called GOALS. GOALS-Growth Opportunities for Apartment Living Success offers classes designed to teach or expand skills in fun, interactive classes taught by certified trainers using evidence based and nationally recognized curriculum. Six key topics are taught over the course of a year: (1) Nebraska Rent Wise-How to be a Successful Tenant; (2) Money Management – Real World Budgeting; (3) Personal Health and Wellness; (4) First Aid/CPR; (5) Be Safe – Properly Interacting with First Responders; and (6) People Skills – Social Success.

Our next project, located in Douglas County is Purple Martin Apartments and will involve two single-story buildings of approximately 22,000 square feet in each. Located at 182nd and Purple Martin Parkway St, Elkhorn, NE, each of the two buildings will consist of twenty-two one-bedroom units approximately 664 square feet of affordable housing for adults with DD and two manager units. The project has a total of 48 units. The residents will have access to a commons area consisting of an entrance lobby, a gathering room, dining room, catering kitchen, storm shelter, mechanical room, laundry room, and wellness center. There will also be a paved and lighted parking lot with drive-up area located under each entrance canopy, therapeutic outdoor gardening spots, and a recreational basketball hoop area.

The property for the Purple Martin Apartments is located near major transportation routes where access to grocery stores, schools (elementary, high school, and technical), employment opportunities, and entertainment are within reasonable distance. This area was prioritized as our next build in part due to the preferences indicated by interested prospective residents on our growing waiting list, as well as our donor base.

SUMMARY OF PROPOSED 128 FORT HOUSING DEVELOPMENT

The proposed 128 Fort development will consist of 64 units total of new construction in Omaha, NE. The development will consist of 64 two-bedroom units with between 877 and 1,151 square feet. Each unit will have a washer and dryer, range, refrigerator, microwave, dishwasher, access to a storm shelter, and a medical alert/emergency response system. The affordable units are intended for tenants at or below 60% AMI and will rent for between \$650 and \$775 per month for two bedroom units. Market rate units will be available as well and rent for \$900 for two-bedroom units.

Funding for 128 Fort will be provided by equity from the sale of LIHTCs and AHTCs, permanent financing, CDBG-DR, general partner equity and a deferred developer fee from the developer.

**Delago Homes
Exhibit 1**

The Delago Homes will be much needed new construction rental housing units providing housing on vacant land in the City of Bellevue off of Gilmore Lake Road. There will be 20 new construction single family homes. All the units will be 4 bed/ 2 bath units consisting of 1,754 sq. ft. with washer and dryer, range, refrigerator, microwave, dishwasher, storage and garage.

The land sits in residential area and is entitled for the proposed use. The market study shows strong demand for affordable multi-family housing. These units will help replace units from the 2019 spring flooding housing loss.

Funding for Delago Homes will come from but not limited to equity from the sale of LIHTC and AHTC, permanent financing, CDBG-DR funds, deferred developer and owner equity.

The Developer/Builder consists of Melvin Sudbeck and Jim Posey who have a combined experience of over 50 years in the development and construction industry. One of the partners has most recently acquired existing LIHTC properties. They will also be using third party management to lease the property to ensure that all compliance is met.

Townhomes at Spaulding
Exhibit 1

The Townhomes at Spaulding will be much needed new construction infill housing on vacant land in the City of Omaha on 51st Ave and Spaulding St. There will be 4 new construction buildings consisting of 4 townhomes per building for a total of 16 units. All the units will be 4 bed/ 2 bath units consisting of 1,855 sq. ft. with washer and dryer, range, refrigerator, microwave, dishwasher, storage and garage.

Unit Mix, Size, Rents						
Unit Type	Number	Unit Size	Net Rents	Utility Allowance	Gross Rents	2022 Max Allowable LIHTC Rents
30% AMI						
4BR/2BA	3	1,855	\$574	\$174	\$748	\$828
40% AMI						
4BR/2BA	3	1,855	\$824	\$174	\$998	\$1,104
50% AMI						
4BR/2BA	5	1,855	\$1,073	\$174	\$1,247	\$1,380
60% AMI						
4BR/2BA	2	1,855	\$1,086	\$174	\$1,260	\$1,656
Market Rate Units						
4BR/2BA	3	1,855	\$1,330	-	\$1,330	-
Total	16					

The land sits in residential area and is entitled for the proposed use. The market study shows strong demand for affordable multi-family housing. This location has great visibility and its proximity to schools, services including a bus stop will be very beneficial to residents.



Funding for Townhomes at Spaulding will come from but not limited to equity from the sale of LIHTC and AHTC, permanent financing, CDBG-DR funds, deferred developer and owner equity.

The Developer/Builder consists of Melvin Sudbeck and Jim Posey who have a combined experience of over 50 years in the development and construction industry. One of the partners has most recently acquired existing LIHTC properties. They will also be using third party management to lease the property to ensure that all compliance is met.

Exhibit 1 - Summary

NIFA#7-1045

Corby 38 will consist of a total of twenty-four new construction located on scattered sites in Omaha, Nebraska. The homes will be part of an affordable rental housing program and will have 24 five-bedroom homes. A portion of the project is located in the City of Omaha's Redevelopment Initiative – part of the Village West Revitalization Plan. All new homes are located in a Qualified Census Tract: (53) in Douglas County, Omaha, Nebraska. This project will meet two important goals:

Construction of new houses on vacant lots assisting with Holy Name Housing's efforts to revitalize depressed neighborhoods. HNHC as well as the City of Omaha and other nonprofits have already completed development projects in the area where the Corby 38 sites are located. Infill housing is an important revitalization tool in these neighborhoods. The Adams Park area is part of the City's revitalization efforts in North Omaha.

Provide tenants with the services that will assist them in becoming partners in the development neighborhood by:

- Holy Name Housing Corporation (HNHC) will provide an onsite Support Services Coordinator to residents of Corby 38 Limited Partnership to provide referral information at no cost to the tenant (see Contract for Supportive Services (commitment) from Holy Name Housing Corporation).
- Offering Financial Management Classes quarterly at no cost to the tenant. HNHC's Support Services Manager will provide quarterly Financial Management Classes.
- In collaboration with our community partner, Financial Beginnings, providing quarterly Financial Literacy Classes for Youth.

Note: Since Corby 38, LP consists of single family, scattered site homes, if any Corby 38 LP tenants are unable to secure transportation for any services listed above, Holy Name Housing will provide such transportation at no cost to the tenant.

All services will be provided at no cost to the tenant.

HNHC has 39+ years' experience in providing low-income families with affordable housing options, providing both property management and supportive services to our tenants. These management services include but are not limited to individual counseling sessions and workshops on being a responsible renter and eventual homeowner (if applicable). The Corporation believes it is essential to be there when tenants experience a teachable moment – for instance, late rent is an appropriate time to discuss the implications of not making a mortgage payment on time and a plumbing problem is a suitable time to demonstrate both how to avoid a repetition of the problem and how to avoid calling a plumber. One of the HNHC rehab crew is assigned to both respond to maintenance calls and to instruct the tenants.

Holy Name Housing has experienced success with its rental programs over the last twenty-two years in meeting its goals. HNHC's rental properties have contributed to additional property improvements in neighborhoods as well as resulted in seventy-five tenants graduating from its homeownership program and purchasing their own homes – some from HNHC and other nonprofits, others from the private market.

Northern View Homes II
Exhibit 1

The Northern View Homes Phase II will be much needed new construction rental housing units providing infill housing on vacant land in the City of Blair off of 14th Ave and Wilbur St. There will be 15 new construction single family homes. All the units will be 4 bed/ 2 bath units consisting of 1,754 sq. ft. with washer and dryer, range, refrigerator, microwave, dishwasher, storage and garage.

The land sits in residential area and is entitled for the proposed use. The market study shows strong demand for affordable multi-family housing.

Funding will come from but not limited to equity from the sale of LIHTC and AHTC, permanent financing, HOME funds, deferred developer and owner equity.

The Developer/Builder consists of Melvin Sudbeck and Jim Posey who have a combined experience of over 50 years in the development and construction industry. One of the partners has most recently acquired existing LIHTC properties. They will also be using third party management to lease the property to ensure that all compliance is met.

EXHIBIT NO. 1 SUMMARY

VP
VICTORY PARK



VICTORY PARK
VIEW

VICTORY PARK VIEW

There is a growing need in the Lincoln area for affordable housing and services for our veterans, seniors and general community. Victory Park is a comprehensive planned redevelopment of the 58-acre Veterans Administration Campus in Lincoln, Lancaster County, Nebraska (600 S. 70th Street) into a vibrant community focused upon housing, medical care and services. This project will provide high quality, well maintained rental housing with immediate access to senior and veteran services and medical care. This development plan creates a holistic campus of living, learning, and care experiences that will be unparalleled in the Lincoln community.

The Project's developers are Seniors Foundation and Burlington Capital Real Estate, LLC. The Project will be designed by Holland Basham Architects with a general contractor to be determined.

The First phase of the redevelopment of Victory Park was the development of Victory Park Veterans Residence which is a Low-Income Housing Tax Credit 3-story building comprising 70 units of permanent supportive housing that is supported by HUD/VASH housing vouchers. The second phase is Victory Park Seniors Residence which is a two-wing, 3-story, new construction of 84 units of affordable and market rate senior apartment complex.

This project, Victory Park View, is the next phase of the redevelopment which involves renovation of the existing historic hospital; approximately 118,130 square feet will be repurposed for housing. This 94-unit, five-story building will consist of studios, one, two and three-bedroom units with easy access to onsite health and wellness services and convenient access to City public transportation.

Amenities will include:

- Laundry service;
- Garbage disposal;
- Dishwasher;
- Outdoor patio;
- Air-conditioning;
- Deadbolts;
- Access to community space; and
- Proposed Pickleball Court.

In addition to the above-mentioned amenities, Victory Park View will be in close proximity to:

- A major hospital;
- Shopping;
- Dining; and
- Employment Centers.

Non-
Metro

Southlawn V
Grand Island, Nebraska
Project Description

The proposed Southlawn V project is located at 1815-1821 Henry Street, the even addresses of 1746-1784 & 1830-1840 Ada Street, Grand Island, Hall County, Nebraska. The Southlawn V project will consist of the rehabilitation of the Southlawn Apartments II & III, which consist of 1 four-plex, 4 five-plexes, and 2 six-plexes (36 units). All 36 units will consist of two bedrooms and one bathroom.

The Southlawn V site is comprised of approximately 3.67 acres. The site is close to several grocery and retail shopping areas. Project activities will consist primarily of the complete rehabilitation of each unit including replacing all flooring, fixtures, countertops, appliances, bathroom shower/tubs and sinks, windows, painting of all interior walls, additional attic insulation and exterior siding. Several areas of concrete will also be replaced including sidewalks and driveways where cracks and heaving have occurred.

Unit Makeup (*Area Median Income - AMI*)

- 9 two-bedroom units at 60% AMI rent levels - \$575 a month*
- 15 two-bedroom units at 50% AMI rent levels - \$575 a month*
- 4 two-bedroom units at 40% AMI rent levels - \$500 a month*
- 8 two-bedroom units at Market-Rate rent levels - \$660 a month*

**Water, Sewer, and Trash services paid by owner*

These attractive and marketable units will be single levels with exterior features such as partial brick and landscaping. Amenities will include an outdoor senior exercise equipment area, community garden, single-car garage, washer, dryer, dishwasher, refrigerator, stove, microwave, and a rear patio. The Southlawn V project will pay for up to 432 round trips of transportation, 12 per household, using the CRANE Public Transit. Also, the Southlawn V project will pay annual renter's insurance for all residents that request insurance. All units will have two bedrooms and one bathroom. Twenty-four of the units will have 884 sq. ft. of residential living space and 300 sq. ft. of garage space for a total of 1,184 total sq. ft. Twelve of the units will have 891 sq. ft. of residential living space and 263 sq. ft. of garage space for a total of 1,154 sq. ft. Two units will be accessible units and one unit will be accessible for persons with sensory (hearing or vision) impairments. All units will meet the current International Energy Conservation Code used by the city of Grand Island and several Green Standards.

The preliminary anticipated total project cost for Southlawn V is approximately \$5,702,329. The funding for the project is comprised of: tax credit equity (Federal and State) of \$4,299,048, HOME funds totaling \$500,000, GP equity of \$85,000, deferred developer fees of \$60,000 and permanent financing of \$758,281.

According to the Grand Island 2020 Housing Study the city needs to encourage the development or substantial renovation of 1,360 housing units before the end of 2024. The Southlawn V development will help towards the City of Grand Island's housing needs.

Wilderness Falls III – Falls City, Nebraska

Project Description

The proposed Wilderness Falls III project, the third phase of the Wilderness Falls development is located at W 31st Street and Cornhusker Court, Falls City, Richardson County, Nebraska. The Wilderness Falls III project will consist of the new construction of 8 senior duplexes (16 units). All 16 units will consist of two bedrooms and one bathroom.

The Wilderness Falls III site is comprised of approximately 1.52 acres. The site is close to several grocery and retail shopping areas, as well as medical services and a pharmacy. Project activities will consist primarily of the new construction of the 8 senior duplexes (16 units), infrastructure work and site work. An outdoor exercise area with equipment tailored to seniors will be built and available for free for resident use.

Unit Makeup (*Area Median Income - AMI*)

- 4 two-bedroom units at 60% AMI - \$600 a month*
- 7 two-bedroom units at 50% AMI - \$550 a month*
- 2 two-bedroom units at 40% AMI - \$475 a month*
- 3 two-bedroom units at Market Rate rent levels - \$650 a month*

**Water, Sewer, and Trash services paid by owner*

These attractive and marketable units will be single levels with exterior features such as partial brick and landscaping. Amenities will include an exercise area with equipment tailored to seniors, single-car garage, washer, dryer, dishwasher, refrigerator, stove, microwave, storage area, and a rear patio. The Wilderness Falls III project will pay for up to 192 round trips of transportation, 12 per household, using Richardson County Transit. Also, the Wilderness Falls III project will pay annual renter's insurance for all residents that request insurance. All of the units will consist of two bedrooms and one bathroom (1,034 sq. ft. of living area + 292 sq. ft. of garage area + 53 sq. ft. of storage area = 1,379 total sq. ft.). One unit will be an accessible unit and one unit will be accessible for persons with sensory (hearing or vision) impairments. All units will meet the current International Energy Conservation Code used by the City of Falls City and several Green Standards.

The preliminary anticipated total project cost for Wilderness Falls III is approximately \$4,785,856. The funding for the project is comprised of: tax credit equity (Federal and State) of \$4,164,770, HOME funds totaling \$500,000, deferred developer fees of \$121,086.

The Wilderness Falls III project will bring much needed affordable housing to Falls City, NE. The current Wilderness Falls I project in Falls City, which is for seniors 55+, has 131 people on the waitlist. According to the 2021 Falls City, Nebraska Housing Needs Assessment, 17.52% of survey respondents were not satisfied with their current housing situation. The following were responses when respondents were asked to explain: "I want to go back to low income housing", "would prefer one level as I'm getting older", "would like more affordable housing", "I am ready to downsize, do not want to buy, would like affordable housing in Falls City", "I need to move to low income housing, I'm on the waiting list.". According to the 2021 Falls City Housing Needs Assessment new affordable rental housing and housing for senior residents categories received the highest weighted average score from survey respondents when asked for the need for improved or additional housing types.

Taylor Villas is a proposed 22-unit rental housing project to be occupied by the elderly population located in Kearney, Nebraska. The units will be on the east side of town – south of 16th Street and east of M Avenue in Kearney, Nebraska. The City of Kearney has a population of 34,683 as of 2020 and has been designated as an Economic Development Certified Community by the Nebraska Department of Economic Development.

The project will be built in duplex design and consists of 22 single-story two-bedroom rental units (eleven buildings). The floor plans will consist of 1,100 square feet of living space in each duplex unit. All units in Taylor Villas will include an attached garage, garage door opener, storm shelter, washer, dryer, range, refrigerator, dishwasher, garbage disposal and microwave and raised gardens. Lawn care, snow removal, and trash will be provided and paid for by the project.

18 units will be leased to households whose incomes are at or below 60% or less of the area median income (AMI) in accordance with Section 42 of the Internal Revenue Code. While four (4) units will be rented as market rate units.

The total project cost is \$6,173,132. Of this amount, \$650,000 will be funded with HOME funds, \$3,105,075 will be funded with Federal Low-Income Housing Tax Credit equity, \$1,424,682 will be funded with State Affordable Housing Tax Credit equity, \$93,375 will be in the form of Owner Equity, and \$900,000 will be in the form of a conventional first mortgage.

Mesner Development Co. of Central City, Nebraska is the LIHTC Co-Applicant and Developer of the project, as well as the Management Agent and the Managing Member of Taylor Villas, LLC, the ownership entity of the project. Kearney Housing Development Corporation will have the Right of First Refusal to purchase the property at the end of the 15-year tax credit compliance period. The investing member of the LLC will be Midwest Housing Equity Group through MHEG Fund 56, L.P.

All of the units are handicapped adaptable and will meet visitability standards. Two units will meet all UFAS requirements for accessibility. One unit will meet the visual and hearing impairment requirements.

Magnolia Pointe is a proposed 20-unit rental housing project to be occupied by the elderly population located in Fremont, Nebraska. The units will be on the north side of town – south of 29th Street, north of East 23rd Street, and west of North Yager Road in Fremont, Nebraska. Magnolia Pointe will be east of Hidden Brook Townhomes on the west side of North Yager Road. The City of Fremont has a population of 26,437 as of 2019 and has been designated as an Economic Development Certified Community by the Nebraska Department of Economic Development.

The project will be built in duplex design and consists of 20 single-story two-bedroom rental units (ten buildings). The floor plans will consist of 1,100 square feet of living space in each unit. All units in Magnolia Pointe will include an attached garage, garage door opener, storm shelter, washer, dryer, range, refrigerator, dishwasher, garbage disposal and microwave and raised gardens. Lawn care, snow removal, and trash will be provided and paid for by the project.

All 20 units will be leased to households whose incomes are at or below 60% or less of the area median income (AMI) in accordance with Section 42 of the Internal Revenue Code.

All of the units will be designated CDBG-DR units with their income at or below 80% AMI.

The total project cost is \$5,817,667. Of this amount, \$2,000,000 will be funded with CDBG-DR (Community Development Block Group - Disaster Recovery) funds as Dodge County is designated as one of the counties which is able to take advantage of these funds due to Winter Storm Ulmer, \$2,187,322 will be funded with Federal Low-Income Housing Tax Credit equity, \$1,003,595 will be funded with State Affordable Housing Tax Credit equity, \$86,750 will be in the form of Owner Equity, and \$540,000 will be in the form of a conventional first mortgage.

Mesner Development Co. of Central City, Nebraska is the LIHTC Co-Applicant and Developer of the project. Fremont Housing Agency will be the Management Agent as well as the Managing Member of Magnolia Pointe, LLC, the ownership entity of the project. Fremont Housing Agency will also have the Right of First Refusal to purchase the property at the end of the 15-year tax credit compliance period. The investing member of the LLC will be Midwest Housing Equity Group through MHEG Fund 56, L.P.

All of the units are handicapped adaptable and will meet visitability standards. One unit will meet all UFAS requirements for accessibility. One unit will also meet the visual and hearing impairment requirement.

Matson Villas, LLC is a proposed 18-unit rental housing project to be occupied by seniors located in Aurora, Nebraska. The units will be East of 1st Street and South of Highway 34 in Aurora, Nebraska. The 2021 population of Aurora was 4,523 and is designated as an Economic Development Certified Community by the Nebraska Department of Economic Development.

The project will be built in duplex design and consist of eighteen (18) one-story, two-bedroom units (9 duplexes). Each duplex will include 2 units with 1,100 square feet of living space. All units in Matson Villas will include an attached 340 SF garage, garage door opener, storm shelter, washer, dryer, range, refrigerator, dishwasher, garbage disposal and microwave. Lawn care, snow removal, and trash will be provided and paid for by the project. Each unit will include an individual raised garden bed by the back patio with a watering system that can be managed by the tenant.

Please note that according to Barry Hall, Executive Director of the Hall County Housing Authority, the City of Aurora does not have a Utility Allowance because it only has Public Housing properties. Standard HUD practice is for public housing properties to use the UA of the nearest HCV program to its jurisdiction and defaults to the Hall County Housing HCV UA. Please see Exhibit 6 Utility Allowance for further explanation from Barry Hall.

Fourteen (14) units will be leased to households whose incomes are at or below 60% of the area median income (AMI) as determined in accordance with Section 42 of the Internal Revenue Code. Four (4) units will be leased as market rate units.

The total project cost is approximately \$4,356,777. Of this amount, \$1,954,813 will be funded with Federal Low-Income Housing Tax Credit equity, \$896,914 will be funded with State Affordable Housing Tax Credit equity, \$650,000 of NE HOME Funds, \$80,050 will be in the form of Deferred Developer Fee, and \$775,000 in a permanent loan.

To assist in the affordability of the project, the Aurora Housing Development Corporation is purchasing the lots from the property owner (Streeter, LLC) for \$234,000 and in turn selling the lots to Matson Villas, LLC for \$180,000, a savings of \$54,000 to the project. Aurora Housing Development Corporation will also have the Right of First Refusal to purchase the property at the end of the 15-year compliance period.

Mesner Development Co. of Central City, Nebraska is the LIHTC and HOME Applicant, Managing Member and Management Agent of Matson Villas, LLC, the ownership entity of the project. Mesner Development Co. will also be the Applicant and Developer of the project. Aurora Housing Development Corporation of Aurora, Nebraska will have the Right of First Refusal to purchase the property at the end of the 15-year tax credit compliance period. The investing member of the LLC will be Midwest Housing Equity Group.

All units are handicapped adaptable and will meet visitability standards. One unit will meet all UFAS requirements for accessibility and one unit will meet visual and hearing impairment requirements.

EXHIBIT 1 - Summary of Proposed Development - NIFA #7-1042

Vintage Rows is a proposed 9% LIHTC rental housing project located in Lexington, Nebraska. The project will utilize roughly 4.5 acres in Northwest Lexington. Vintage Rows will be a 55+ senior project, designed to allow residents to age-in-place. The location is surrounded by future residential and commercial development, and is proximate to the Lexington Regional Health Center, the Community Health and Fitness Center, walking trail, and major transit corridors. The project is the result of a collaboration between the City of Lexington, the Lexington Regional Health Center, the developer, and housing nonprofits.

Buildings & Amenities

Vintage Rows consists of 35 two-bedroom units, with both rowhome and multi-family typography. The rowhome style units will have an attached garage. All units will have an in-unit washer and dryer. The project will feature a community room with a minimum of 600 sqft for exclusive use by tenants of the project, community gardens, and a playground which will be designed and intended for use by seniors/adults as well as tenants of all ages. Lawn care, snow removal, sewer and water, trash services will be paid by the project.

Zoning, Land Use, and Redevelopment

The site is zoned R-3 High Density Residential, which supports this development. On August 9, 2022, the Lexington City Council approved and adopted a Blight and Substandard Determination Study for the redevelopment area which declares the land for this development blighted and qualifies the property for the tax increment financing (see Exhibit 107). The City and developer have been working on a Redevelopment Plan, which is estimated to generate TIF in the amount of \$275,000.

Rents & Eligibility

7 of the units (20%) will be market rate. The remaining 28 units (80%) will be rented to those making 60% of Area Median Income and below at rates consistent with the 60% affordability or below. In addition, the development will target gross rents at lower levels by proposing 14 units (40%) to have a targeted gross rent that is affordable to households whose income is 50% of the applicable AMI and 4 units (10%) to have a targeted gross rent that is affordable to households whose income is 40% of the applicable AMI.

Source & Uses of Funds

The total project will cost approximately \$8.6 mm. Sources for the project will feature conventional financing, HTF funds, a deferred development fee (in excess of 25%), tax increment financing, and contributions from the City of Lexington. The Exhibit 111 will enumerate the exact numbers.

Impact on Local Economy

The City of Lexington and the Lexington Community Health Center have expressed a need for age-in-place housing to attract seniors and Medicare recipients to remain in the community. The project will have a positive economic impact by creating jobs during the construction phase, providing lower income workers with safe and secure housing, and attracting additional private investment in this area of Lexington.

EXHIBIT 1

Summary of Proposed Development

AMD Partners LLC is proposing the development of the Crete Senior Villas, which is a 30-unit, 2-story, elevator building with interior corridors located in Saline County, City of Crete, Nebraska near the intersection of Betten Drive and E 29th Street (currently there is no defined street address for the site). The development will be for seniors 55+. All 30 units will consist of two bedrooms and one bathroom.

The Crete Senior Villas site consists of approximately 3 acres and is adjacent to important amenities for seniors, including Wal-Mart and the Crete Area Medical Center. This portion of Crete is near additional new development and offers ease of access to main thoroughfares serving Crete. The site is currently an agricultural field.

The construction of Crete Senior Villas will offer additional new affordable housing units to serve the City's population of approximately 7,179 residents. The building will include an aesthetically pleasing exterior façade, in-unit washers and dryers, dishwasher, refrigerator, stove, and microwave, among other amenities. In addition, the development will include a leasing office for the property manager, offering residents an on-site point of contact for maintenance issues or other needs. Excel Development Group, which has a wealth of experience managing properties in rural Nebraska, will manage the property.

We believe Supportive services are an important component of affordable housing and will offer owner-paid renter's insurance along with organized on-site monthly events, including but not limited to: potluck social events, tenant enrichment classes, game nights.

Building Specifics

Unit Mix: 30 units, all 2 BR and 1 BA

Unit Square Footages: 922 SF / unit

Income Mix: 30% AMI – 6 units, 50% AMI – 10 units, 60% AMI – 14 units

Net Rents: 30 % AMI - \$385, 50% AMI - \$735, 60% AMI - \$795

Parking: 64 total spaces (4 accessible)

The City of Crete is excited to see additional new construction and development to serve its residents. Crete Senior Villas will increase affordable housing supply for the City and will offer senior residents the opportunity to remain in the community while simultaneously opening additional housing stock for other residents in the community by way of seniors moving from homes / apartments already existing within the City.

SUMMARY OF PROPOSED HARTINGTON CROWN HOUSING DEVELOPMENT

The proposed Hartington Crown development will consist of 15 newly constructed, single family houses in Hartington, NE. The development will consist of 15 four-bedroom units around 2580 finished square feet. Each unit will have a washer and dryer, range, refrigerator, microwave, dishwasher, and a medical alert/emergency response system. 12 units are intended for tenants at or below 60% AMI and will rent for \$550. The remaining 3 units are market rate and will rent for \$700.

Funding for Hartington Crown will be provided by equity from the sale of LIHTCs and Nebraska AHTCs, HOME funds from the Department of Economic Development and a deferred developer fee from the developer.

Please note that Hartington is in Cedar County which was part of the Presidentially Declared Disaster 4662 on July 27, 2022. Cedar County is currently not a selection on the online application. Please see the following page.

NIFA Board of Directors Meeting

October 14, 2022

Agenda Item #6

Review and Consideration of an \$800,000 Increase in the Amount of Private Activity Volume Cap Previously Allocated for the Issuance of Multifamily Revenue Bonds for Kennedy Square East, a Development to be Located in Omaha, Nebraska

Background Information:

At its meeting on April 22, 2022, the Board approved a conditional allocation (which subsequently became a final allocation) of private activity volume cap in the amount of \$12,900,000 for the issuance of bonds by NIFA to finance Kennedy Square East, a multifamily rental housing development to be located in Omaha, Nebraska.

Kennedy Square East is the third phase of the North 30th HUD Choice Neighborhood Implementation (CNI) Grant. The Project will consist of 102 total rental units, 39 units (to be financed with conventional financing) which will serve market rate tenants and 63 units (to be financed with the proceeds of the NIFA bonds) which will serve tenants with incomes of 60% or below of the area median income.

Todd Lieberman, with Brinshore Development, contacted NIFA staff to request consideration of an increase in the amount of private activity volume cap to issue an increased amount of bonds (resulting in an increase in the amount of 4% LIHTC/Nebraska AHTC) for this development. Mr. Lieberman submitted information to NIFA indicating a significant increase in construction costs, as well as an increase in the costs of services, relating to the development for which additional resources are required. This shortfall would be addressed by the issuance of an increased amount of bonds. In reviewing the information submitted by Mr. Lieberman, NIFA's LIHTC staff has determined that to address this shortfall, staff is comfortable recommending the increase (\$800,000) in private activity volume cap requested for this development.

This request is being brought to the board for its consideration as, unlike with respect to the 9% LIHTC program (where the Executive Director has been delegated authority to adjust the amount of 9% LIHTC/AHTC (up or down) by 10%), no such authorization has been granted for the 4% LIHTC program and the allocation of private activity volume cap.

Recommended Action:

Motion to Approve an increase in the Private Activity Volume Cap for the issuance of bonds by NIFA for the financing of Kennedy Square East development. Such increase shall be in the amount of \$800,000, resulting in total Private Activity Volume Cap allocated for Kennedy Square East of \$13,700,000.

Financial Statements and Supplemental Data
June 30, 2022 and 2021

Nebraska Investment Finance Authority
With Independent Auditor's Report Thereon

DRAFT

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Independent Auditors' Report

The Board of Directors
Nebraska Investment Finance Authority

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the Nebraska Investment Finance Authority (Authority) as of and for the year ended June 30, 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, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Nebraska Investment Finance Authority, as of June 30, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified 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 Nebraska Investment Finance 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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

As more fully described in Note 2 to the financial statements, the Authority has reported investments in securitized mortgage loans at amortized cost and the Authority does not report commitments to purchase securitized mortgage loans at fair value. Accounting principles generally accepted in the United States of America require that securitized mortgage loans and loan commitments be reported at fair value. Additionally, interest earned on securitized mortgage loans has been classified as interest income from loans rather than investments. If the Authority had reported securitized mortgage loans and loan commitments at fair value, assets and net position would be reduced by \$65.5 million as of June 30, 2022, and operating revenue and resulting change in net position would be reduced by \$141.6 million for the year ended June 30, 2022.

Other Matter

The financial statements of Nebraska Investment Finance Authority for the year ended June 30, 2021, were audited by another auditor, who expressed a qualified opinion on those statements on November 1, 2021.

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 Nebraska Investment Finance Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nebraska Investment Finance 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 Nebraska Investment Finance 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 on pages 4 through 11 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Nebraska Investment Finance Authority's basic financial statements. The supplementary information on pages 37 through 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, 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 "date of report" on our consideration of Nebraska Investment Finance 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 Nebraska Investment Finance 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 Nebraska Investment Finance Authority's internal control over financial reporting and compliance.

Aberdeen, South Dakota

Report Date

This section of the Nebraska Investment Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations at and for the fiscal years ended June 30, 2022 and 2021. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of the Governmental Accounting Standards Board (GASB).

The Authority is a self-supporting entity and follows enterprise fund accounting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority's financial report consists of two parts – management's discussion and analysis and the basic financial statements. Management's discussion and analysis should be read in conjunction with the basic financial statements. The basic financial statements consist of statements of net position; statements of revenue, expenses, and changes in net position; statements of cash flows; and the notes thereto.

The statements of net position include all of the Authority's assets and liabilities, presented in order of liquidity, along with the deferred outflows and deferred inflows, which represent deferrals of resources related to future periods. The resulting net position presented in these statements is displayed as restricted by bond resolution and unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements, or statutes. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial assets of the Authority are improving or deteriorating.

All of the Authority's current year revenue and expenses are recorded in the statements of revenue, expenses, and changes in net position. These statements measure the activities of the Authority's operations over the past year and present the resulting change in net position, calculated as revenue less expenses.

The final required financial statements are the statements of cash flows. The primary purpose of these statements is to provide information about the Authority's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, and investing activities. The statements provide information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements. The notes follow the statements of cash flows.

Authority Credit and General Obligation Rating

The unsecured general obligation of the Authority is rated AA by Standard & Poor's Rating Services (Standard & Poor's) as of June 30, 2022. This rating takes into account the amount of unrestricted net position maintained by the Authority, as well as certain contingent obligations to which the general obligation of the Authority is pledged. While there is no guarantee that this rating will remain in effect for any period of time, management is committed to maintaining the level of unrestricted net position necessary to maintain an investment grade rating of its general obligation.

On August 5, 2011, Standard & Poor's lowered its long-term sovereign credit rating on the United States of America from "AAA" to "AA+" with negative implications. Due to this downgrade and the effect on many of the credit support instruments pledged to the Authority's bond issues, such as Ginnie Mae, Fannie Mae, and Freddie Mac mortgage-backed securities, Fannie Mae and Freddie Mac credit enhancements, government mortgage insurance, and those bonds that have funds invested in short-term instruments guaranteed by the United States of America, on August 8, 2011, Standard & Poor's lowered the long-term credit rating on a large number of the Authority's bonds (substantially all of its single family mortgage revenue bonds) from "AAA" to "AA+" and placed the issues on negative outlook. On June 10, 2013, Standard & Poor's affirmed its long-term sovereign credit rating on the United States of America at "AA+" and revised the outlook from negative to stable and on February 11, 2021, affirmed the rating on the Authority's bonds described above to "AA+" with a stable outlook.

Financial Analysis

The Authority's overall financial position and results of operations for the current and prior two years are summarized below. This information is derived from the basic financial statements (dollars in thousands):

	2022	2021	2020
Assets			
Investments	\$ 151,729	\$ 189,150	\$ 214,946
Loans receivable	1,304,386	1,272,134	1,523,173
Other assets	12,726	4,904	5,621
Total assets	1,468,841	1,466,188	1,743,740
Deferred Outflows of Resources			
Accumulated decrease in fair value of hedging derivatives	276	7,867	13,050
Loss on refunding	10,521	12,969	15,823
Total deferred outflows of resources	10,797	20,836	28,873
Total assets and deferred outflows of resources	\$ 1,479,638	\$ 1,487,024	\$ 1,772,613
Liabilities			
Bonds payable	\$ 1,010,024	\$ 1,017,034	\$ 1,300,976
Interest payable	9,469	9,428	12,363
Other liabilities	39,206	52,713	51,567
Total liabilities	1,058,699	1,079,175	1,364,906
Deferred Inflows of Resources			
Accumulated increase in fair value of hedging derivatives	7,636	249	-
Swap up-front payment	10,647	13,320	16,447
Total deferred inflows of resources	18,283	13,569	16,447
Net Position			
Restricted by bond resolution	322,065	311,306	298,757
Unrestricted	80,591	82,974	92,503
Total net position	402,656	394,280	391,260
Total liabilities, deferred inflows of resources, and net position	\$ 1,479,638	\$ 1,487,024	\$ 1,772,613
Change in Net Position			
Total revenue, primarily interest income	\$ 39,881	\$ 47,729	\$ 56,445
Total expenses, primarily interest expense	31,505	44,709	44,717
Change in net position	\$ 8,376	\$ 3,020	\$ 11,728

2022 Analysis – Statements of Net Position

From June 30, 2021 to June 30, 2022, total assets increased \$2.7 million.

Investments – Decrease of \$37.4 million

- A decrease of \$43.2 million in restricted investments was related to a significant slowdown in mortgage prepayments toward the end of fiscal year 2022, resulting in a decrease in funds held for recycling and cross calls in the Single Family Housing Revenue Bond general indenture.
- The amount of operating funds warehousing single family mortgage loan pools (pending the issuance of bonds) was \$14.5 million as of June 30, 2021, and zero as of June 30, 2022, resulting in a corresponding increase in operating fund investments.
- A decrease of \$8.7 million is related to transfers to cash during fiscal year 2022 for the payment of match funds in connection with the state's workforce housing program and certain administrative expenses in the operating fund.

Loans Receivable – Increase of \$32.3 million

- Throughout fiscal year 2021, the availability of very low mortgage interest rates in the market and the economic disruption caused by the COVID-19 pandemic impacted demand for the Authority's single family program and reduced new loan purchases to \$180.3 million. Demand returned to more typical levels in fiscal year 2022, resulting in \$319.7 of new loan purchases.
- The low-rate environment during fiscal year 2021 also impacted prepayment levels. Loan repayments, including those due to refinancings, were \$431.1 million. As interest rates rose during fiscal year 2022, prepayments slowed, and total loan repayments decreased significantly to \$287.3 million for the year.

Fair Value of Derivatives – Increase of \$7.4 million

- The fair value of derivatives, which is dependent on the interest rate environment, is provided by an independent source. At June 30, 2022, the Authority's derivatives, which are all interest rate swap agreements, had primarily positive fair values due to their low fixed rates relative to current on-market rates. At June 30, 2021, the Authority's derivatives had primarily negative fair values and were, therefore, reported in the liabilities section of the Statement of Net Position.

From June 30, 2021 to June 30, 2022, total deferred outflows of resources decreased \$10.0 million.

Accumulated Decrease in Fair Value of Hedging Derivatives – Decrease of \$7.6 million

- The fair value changes associated with the Authority's derivatives that are determined to be effective hedges are deferred in the statements of net position. Negative fair values are offset by deferred outflows of resources. As detailed in the previous paragraph, the Authority's hedging derivatives moved from a primarily negative fair value position (totaling \$7.9 million) at June 30, 2021, to a primarily positive fair value position at June 30, 2022. As a result, the deferral moved from deferred outflows to deferred inflows of resources.

Loss on Refunding – Decrease of \$2.4 million

- The Authority's debt refundings during fiscal year 2022 did not result in any additional deferred losses. Amortization of deferred loss on refunding was \$2.4 million during fiscal year 2022.

From June 30, 2021 to June 30, 2022, total liabilities decreased \$20.5 million.

Bonds Payable – Decrease of \$7.0 million

- To fund the increased loan production, the Authority issued \$238.4 million in single family program revenue bonds in fiscal year 2022.
- Total bond maturities and mandatory bond redemptions in fiscal year 2022 were \$239.2 million. Amortization of bond premium amortization was \$6.2 million.

Other Liabilities – Accrued Liabilities – Decrease of \$6.1 million

- At June 30, 2021, accrued liabilities included \$6.9 million in match funds awarded by the Authority in connection with the state's workforce housing programs. Workforce housing awards accrued at June 30, 2022, were \$6.1 million less than the prior year.

Other Liabilities – Fair Value of Derivatives – Decrease of \$7.6 million

- See the related discussion of Fair Value of Derivatives in the asset section above.

From June 30, 2021 to June 30, 2022, total deferred inflows of resources increased \$4.7 million.

Swap Upfront Payment – Decrease of \$2.7 million

- Amortization of swap up-front payment was \$2.7 million during fiscal year 2022.

Accumulated Increase in Fair Value of Hedging Derivatives – Increase of \$7.4 million

- See the related discussion of Accumulated Decrease in Fair Value of Derivatives above.

From June 30, 2021 to June 30, 2022, total net position increased \$8.4 million.

- The Authority's revenue less expenses for fiscal year 2022 resulted in an increase in total net position of \$8.4 million.

2022 Analysis – Statements of Revenue, Expenses, and Changes in Net Position

The Authority's change in net position for the year ended June 30, 2022, was \$8.4 million, an increase of \$5.4 million from the year ended June 30, 2021.

Operating Revenue – Decrease of \$8.3 million

- Mortgage loan interest decreased a total of \$8.3 million as the result of:
 - \$5.9 million decrease related to a decrease in the weighted average mortgage interest rate in the Authority's single family loan portfolio,
 - \$1.1 million decrease resulting from a larger adjustment to the mortgage subsidy reserve during the year, and
 - \$1.3 million decrease due to an increase in premiums paid on loans purchases for the year.

- Fee and other income increased \$0.2 million as the result of program administration fees for the Homeowners Assistance Fund (HAF) and the Healthy Housing, Healthy Communities (H3C) grant received from NCSHA, both new revenue sources in fiscal year 2022.

Operating Expenses – Decrease of \$13.7 million

- Interest expense decreased \$6.5 million due to:
 - \$4.0 million decrease in bond interest related to the decrease in bonds payable, as well as a lower weighted average bond interest rate, reflecting the redemption of higher rate bonds.
 - \$0.3 million increase in bond issuance costs paid during the year related to larger bond issuances in fiscal year 2022 as compared to fiscal year 2021.
 - \$0.9 million decrease in net payments made by the Authority on interest rate swap agreements, resulting from an upward trend in the index rate used to calculate the variable payment due from the counterparties.
 - A decrease of \$2.0 million related to an increase in amortization of bond premium (which offsets interest expense). The Authority's bond issuances in fiscal year 2022 resulted in new bond premium of \$13.7 million. Bond premium is amortized over the expected life of the related bonds.
- General and administrative expenses decreased \$0.5 million due to the classification of that amount as grant expense, which is based on the time spent by the Authority's staff on administration of the Homeowners Assistance Fund.
- Nebraska Opportunity Fund expenses decreased by \$6.7 million due to one-time match funds awarded in fiscal year 2021 in connection with the state's workforce housing programs.

2021 Analysis – Statements of Net Position

From June 30, 2020 to June 30, 2021, total assets decreased \$277.6 million.

Investments – Decrease of \$25.8 million

- A decrease of \$9.6 million in restricted investments was related to having no bond proceeds on hand at June 30, 2021, as compared to bond proceeds on hand at June 30, 2020, from the issuance of Single Family Housing Revenue Bonds. The bond proceeds were available for the purchase of pools of single family mortgage loans that were in the pipeline.
- Operating funds warehousing single family mortgage loan pools (pending the issuance of bonds) increased by \$14.3 million, resulting in a corresponding decrease in operating investments.

Loans Receivable – Decrease of \$251.0 million

- The availability of very low mortgage interest rates in the market and the economic disruption caused by the COVID-19 pandemic impacted demand for the Authority's single family program. New loan purchases were \$180.3 million in fiscal year 2021, compared to \$315.5 million in fiscal year 2020.
- The low-rate environment also impacted prepayment levels on the existing mortgage loan portfolio. Loan repayments, which include regularly scheduled principal and interest payments, as well as prepayments, were \$431.1 million and \$216.5 million in fiscal year 2021 and 2020, respectively

From June 30, 2020 to June 30, 2021, total deferred outflows of resources decreased \$8.0 million.

Accumulated Decrease in Fair Value of Hedging Derivatives – Decrease of \$5.2 million

- The fair value changes associated with the Authority's derivatives that are determined to be effective hedges are deferred in the statements of net position. All but one of the Authority's hedging derivatives were in liability positions as of June 30, 2021. See *Other Liabilities – Fair Value of Derivatives* below for a discussion of the decrease.

Loss on Refunding – Decrease of \$2.8 million

- The Authority's debt refundings during fiscal year 2021 did not result in any additional deferred losses. Amortization of deferred loss on refunding was \$2.8 million during fiscal year 2021.

From June 30, 2020 to June 30, 2021, total liabilities decreased \$285.7 million.

Bonds Payable – Decrease of \$283.9 million

- The Authority issued \$182.5 million in single family program revenue bonds in fiscal year 2021 and recognized bond premium amortization of \$(4.2 million).
- Total bond maturities and mandatory bond redemptions in fiscal year 2021 were \$462.3 million. Higher than average prepayment levels caused a significant increase in mandatory bond redemptions, coupled with a decrease in recycling mortgage repayments into new mortgages in fiscal year 2021.

Interest Payable – Decrease of \$2.9 million

- Interest payable decreased \$2.9 million due not only to the overall decrease in bonds payable, but also because recent bond issuances have been at historically low rates while higher rate bonds have been redeemed.

Other Liabilities – Accrued Liabilities – Increase of \$7.5 million

- Prior to June 30, 2021, the Authority awarded \$6.9 million in match funds in connection with the state's workforce housing programs, resulting in a corresponding increase in accrued liabilities.
- Deferred fee income increased \$0.6 million with the addition of nine new low income housing tax credit projects paying 15-year compliance fees upfront.

Other Liabilities – Mortgage Subsidy Reserve – Decrease of \$1.2 million

- The Authority utilizes costs savings achieved from the use of various financing techniques that lower bond costs to subsidize mortgage loans with interest rates below market. Savings realized in fiscal year 2021 of \$2.9 million was offset by savings used of \$4.1 million.

Other Liabilities – Fair Value of Derivatives – Decrease of \$5.2 million

- All but one of the Authority's derivatives were in liability positions as of June 30, 2021, reflecting the Authority's future obligations with respect to the derivative contracts. The fair value of derivatives, which is dependent on the current interest rate environment, is provided by an independent source.

From June 30, 2020 to June 30, 2021, total deferred inflows of resources decreased \$2.9 million.

Swap Upfront Payment – Decrease of \$3.1 million

- Amortization of swap up-front payment was \$3.1 million during fiscal year 2021.

From June 30, 2020 to June 30, 2021, total net position increased \$3.0 million.

- The Authority's revenue less expenses for fiscal year 2021 resulted in an increase in total net position of \$3.0 million.

2021 Analysis – Statements of Revenue, Expenses, and Changes in Net Position

The Authority's change in net position for the year ended June 30, 2021, was \$3.0 million, a decrease of \$8.7 million from the year ended June 30, 2020.

Operating Revenue – Decrease of \$8.7 million

- Mortgage loan interest decreased a total of \$6.2 million as the result of:
 - \$5.3 million decrease related to a decrease in size of the Authority's single family loan portfolio,
 - \$1.9 million decrease resulting from a smaller adjustment to the mortgage subsidy reserve during the year, and
 - \$1.2 million increase due to fewer premiums paid on loans purchases for the year.
- Revenue related to the Authority's investments decreased \$2.8 million due to a decrease in yields on funds invested in short term discount notes while held to call bonds.

Operating Expenses – Decrease of \$8,000

- Interest expense decreased \$6.3 million due to:
 - \$7.2 million decrease in bond interest because of a large decrease in bonds payable due to increased cross calling instead of recycling mortgage prepayments into new loans, as well as a lower weighted average bond interest rate, reflecting the redemption of higher rate bonds.
 - \$1.1 million decrease in bond issuance costs paid during the year related to issuing a smaller amount of bonds in fiscal year 2021 as compared to fiscal year 2020,
 - \$1.3 million increase in net payments made by the Authority in connection with interest rate swap agreements, as the result of a decreasing trend in the index rate used to calculate the variable payment received from the counterparties,
 - a net increase of \$0.8 million related to amortization of bond premium, deferred loss on refunding, and swap upfront payments, all of which are amortized to interest expense.
- General and administrative expenses decreased slightly, by \$0.2 million.
- Nebraska Opportunity Fund expenses increased by \$6.5 million due to match funds awarded in connection with the state's new workforce housing programs.

Long-Term Debt Activity

During fiscal years 2022 and 2021, the Authority issued Single Family program revenue bonds totaling \$238.4 million and \$182.5 million, respectively. Principal payments on bonds totaled \$239.2 million and \$462.3 million in fiscal years 2022 and 2021, respectively. Amortization of bond premium was \$(6.2 million) and \$(4.2 million) in fiscal years 2022 and 2021, respectively. Detailed information about the Authority's bonds payable is presented in Note 6 to the financial statements.

Contact Information

This financial report is intended to provide users with a general overview of the Authority's financial performance for fiscal years ended June 30, 2022 and 2021. If you have questions about this report or need additional financial information, please contact Nebraska Investment Finance Authority, 1230 O Street, Suite 200, Lincoln, Nebraska 68508, or visit the Authority's website at www.nifa.org and navigate to the Bonds/Finance section.

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Nebraska Investment Finance Authority
Statements of Net Position
(Dollars in Thousands)
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash	\$ 1,198	\$ 656
Investments	84,111	78,323
Interest receivable	3	31
Loans receivable	66	404
Other current assets	250	172
Restricted assets:		
Cash	6	-
Investments	46,697	44,112
Interest receivable	12	16
Total current assets	<u>132,343</u>	<u>123,714</u>
Noncurrent Assets:		
Loans receivable	129	14,357
Restricted assets:		
Investments	20,921	66,715
Interest receivable	3,349	3,435
Loans receivable	1,304,191	1,257,373
Fair value of derivatives	7,636	249
Other assets	272	345
Total noncurrent assets	<u>1,336,498</u>	<u>1,342,474</u>
Total assets	<u>1,468,841</u>	<u>1,466,188</u>
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	276	7,867
Loss on refunding	10,521	12,969
Total deferred outflows of resources	<u>10,797</u>	<u>20,836</u>
Total assets and deferred outflows of resources	<u>\$ 1,479,638</u>	<u>\$ 1,487,024</u>

Nebraska Investment Finance Authority

Statements of Net Position

(Dollars in Thousands)

June 30, 2022 and 2021

	2022	2021
Liabilities		
Current liabilities:		
Accrued liabilities	\$ 1,968	\$ 8,095
Interest payable	9,469	9,428
Current portion of bonds payable	37,190	34,625
Total current liabilities	48,627	52,148
Noncurrent Liabilities:		
Unearned revenue	3,546	3,236
Fair value of derivatives	276	7,867
Bonds payable, net of current portion	972,834	982,409
Mortgage subsidy reserve	33,416	33,515
Total noncurrent liabilities	1,010,072	1,027,027
Total liabilities	1,058,699	1,079,175
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	7,636	249
Swap up-front payment	10,647	13,320
Total deferred inflows of resources	18,283	13,569
Net Position		
Restricted by bond resolution	322,065	311,306
Unrestricted	80,591	82,974
Total net position	402,656	394,280
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,479,638	\$ 1,487,024

Nebraska Investment Finance Authority
Statements of Revenues, Expenses and Changes in Net Position
(Dollars in Thousands)
For the Years Ending June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Interest income:		
Loans	\$ 37,206	\$ 45,470
Investments	12	3
Net (decrease) increase in fair value of investments	(118)	90
Fees and other income	<u>2,329</u>	<u>2,166</u>
Total operating revenue	<u>39,429</u>	<u>47,729</u>
Operating expenses:		
Interest	23,774	30,313
General and administrative	6,460	6,920
Nebraska Opportunity Fund	<u>819</u>	<u>7,476</u>
Total operating expenses	<u>31,053</u>	<u>44,709</u>
Non-operating revenue and expense:		
Federal grant revenue	452	-
Federal grant expense	<u>(452)</u>	<u>-</u>
Net non-operating revenue and expense	<u>-</u>	<u>-</u>
Change in Net Position	8,376	3,020
Net Position, Beginning of Year	<u>394,280</u>	<u>391,260</u>
Net Position, End of Year	<u><u>\$ 402,656</u></u>	<u><u>\$ 394,280</u></u>

Nebraska Investment Finance Authority

Statements of Cash Flows

(Dollars in Thousands)

For the Years Ending June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Purchase of loans	\$ (319,712)	\$ (180,328)
Principal repayments received on loans	287,292	431,084
Interest received on loans	37,434	45,401
Fees and program income received	2,730	2,799
Federal grant revenue received	452	-
Payments for salaries and employee benefits	(3,735)	(3,498)
Payments for general and administrative costs	(9,407)	(3,408)
Payments to Nebraska Opportunity Fund	(819)	(612)
Net cash provided by (used in) operating activities	(5,765)	291,438
Cash flows from noncapital financing activities:		
Proceeds from sale of bonds	238,428	182,498
Repayment of bonds	(239,234)	(462,262)
Debt issuance costs paid	(1,909)	(1,587)
Interest paid	(28,253)	(36,112)
Net cash used in noncapital financing activities	(30,968)	(317,463)
Cash flows from investing activities:		
Interest received on investments	5	3
Proceeds from sales, maturities, and calls of investments	1,027,107	1,034,073
Purchase of investments	(989,831)	(1,007,975)
Net cash provided by investing activities	37,281	26,101
Net Increase in Cash	548	76
Cash, Beginning of Year	656	580
Cash, End of Year	<u>\$ 1,204</u>	<u>\$ 656</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 8,376	\$ 3,020
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Purchase of loans	(319,712)	(180,328)
Principal repayments received on loans	287,292	431,084
Interest received on investments	(5)	(3)
Interest expense	23,774	30,313
Increase in fair value of investments	118	(90)
Amortization and other income, net	202	268
Decrease (increase) in interest receivable	118	840
Decrease in prepaid expenses	(12)	5
Increase (decrease) in other liabilities	(5,916)	6,329
Net cash provided by (used in) operating activities	<u>\$ (5,765)</u>	<u>\$ 291,438</u>

Note 1 - Authorizing Legislation and Organizational Structure

Nebraska Investment Finance Authority (the Authority) was created as a quasi-governmental entity on August 26, 1983, by an Act of the Nebraska Legislature (the Act). The Authority was established to provide sources of mortgage financing at reduced interest rates to Nebraska residents of low- and moderate-income levels, agricultural financing at reduced interest rates to Nebraska farmers and other agricultural enterprises, other financing at reduced interest rates to Nebraska business enterprises, and to provide technical assistance to businesses and communities. The Authority is authorized to invest in loans made for the construction, rehabilitation, or purchase of residential housing and certain enterprises. The Authority has been designated as the allocating agency for the Federal Low Income Housing Tax Credit Program (the LIHTC Program) and the Nebraska Affordable Housing Tax Credit Program (the AHTC Program). The LIHTC and AHTC Programs were established to encourage investment in the construction and rehabilitation of rental housing units for low- and moderate-income individuals and families. The Authority has no taxing power and is exempt from federal and state income taxes. The Authority is authorized to issue tax-exempt revenue bonds and other obligations, the proceeds of which are to be utilized to fulfill the aforementioned purposes. Amounts so issued will not be deemed to constitute a debt of the State of Nebraska or any political subdivision thereof. Any assets remaining upon dissolution of the Authority, after all indebtedness and other obligations are satisfied, will be transferred to the State of Nebraska.

Note 2 - Significant Accounting Policies

The following is a summary of the significant accounting and financial reporting policies followed in the preparation of these financial statements:

Basis of Presentation and Accounting

The financial activities of the Authority are recorded in accounts established under various bond indentures (program accounts) and in an operating account established for the administration of the Authority's programs. The Authority's program and operating accounts have been presented on a combined basis, as the Authority is considered a single-enterprise fund for financial reporting purposes. All revenue and expenses, with the exception of federal grant revenue and expense, are considered operating, as they relate directly to the purpose of the Authority.

The Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with U.S. generally accepted accounting principles, except for investment in securitized mortgage loans and commitments to buy securitized mortgage loans, as discussed below. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include the mortgage subsidy reserve and derivatives.

Investments

Investments are carried at fair value. Changes in the fair value of investments are reported as increases (decreases) in operating revenue in the statements of revenue, expenses, and changes in net position.

Loans Receivable

Loans receivable consist of single family mortgages as well as single family Ginnie Mae I, Fannie Mae, and Freddie Mac mortgage-backed pass-through certificates, and Uniform Mortgage-Backed Securities (collectively, "securitized mortgage loans") backed by pools of single family mortgage loans originated pursuant to the Authority's Single Family Program. The Authority has a 100% beneficial interest in the loans underlying the securitized mortgage loans. Loans receivable are carried at the unpaid principal balance or amortized cost, as applicable.

Securitized Mortgage Loans

The Authority reports securitized mortgage loans at amortized cost. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that investments in debt securities, including securitized loans, be reported at fair value. Based on values obtained from an independent pricing source, the estimated fair value of the Authority's securitized mortgage loans is \$1,210.2 million and \$1,320.6 million, respectively, compared to amortized cost of \$1,276.7 million and \$1,246.6 million at June 30, 2022 and 2021, respectively. GASB Statement No. 31 also requires that the change in fair value be reported in operating revenue and change in net position. Accordingly, the Authority should have reported in its statements of revenue, expenses, and changes in net position the decrease in fair value of investments of \$140.5 million and \$27.3 million for the years ended June 30, 2022 and 2021, respectively, decreasing operating revenue and change in net position by those amounts. Net position should have been (decreased) increased by the cumulative unrealized (losses) gains on the securitized mortgage loans of \$(66.5 million) and \$74.0 million at June 30, 2022 and 2021, respectively. Interest earned on securitized mortgage loans totaling \$37.0 million and \$45.3 million for the years ended June 30, 2022 and 2021, respectively, has been classified as interest income from loans rather than investments in the statements of revenue, expenses, and changes in net position.

Debt Financing Costs and Fee Income

Debt financing costs and fees collected from financial institutions in exchange for mortgage loan servicing rights are expensed as incurred or recognized as income when received, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Provision for Loan Losses

A provision for loan losses is recorded in expenses when, in management's opinion, the realization of all or a portion of the loans is not probable, and the Authority does not have insurance or guarantees on its loans. As described in Note 5, the Authority's single family mortgage loans are primarily in the form of mortgage-backed pass-through certificates. While management uses available information to recognize losses, future additions to the allowance may be necessary based on changes in economic conditions.

Bond Premiums and Losses on Refunding

Bond premiums are amortized as an adjustment to interest expense over the life of the related bond issues using the effective interest method. Gains or losses on debt refundings are deferred and amortized as an adjustment to interest expense over the shorter of the remaining life of the refunded bonds or the estimated life of the refunding bonds, using the effective interest method.

Derivative Instruments

Derivative instruments, as defined in GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), are measured on the statements of net position at fair value, except as noted below. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB 53 are reported as deferred inflows and outflows of resources. The Authority uses derivative financial instruments, in the form of interest rate swap agreements, to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. These derivatives may involve elements of credit and market risk in excess of amounts recognized in the financial statements in the event of nonperformance by the counterparties to the interest rate derivative transactions. The Authority monitors the credit quality of the counterparties.

Additionally, the Authority commits to purchase mortgage-backed pass-through certificates (securitized mortgage loans) backed by pools of single family mortgage loans originated pursuant to the Authority's Single Family Program. As of June 30, 2022 and 2021, the Authority had committed to purchase additional single family securitized mortgage loans totaling \$79.3 million and \$92.5 million, respectively. The commitments represent amounts reserved with the Authority by participating lenders for loans that have not been delivered to the trustee for purchase by the Authority. Under GASB 53, a commitment to purchase mortgage-backed securities is a derivative instrument and should be reported at fair value with changes in fair value reported in earnings. The Authority does not record commitments to purchase mortgage-backed securities in its financial statements. The Authority should have reported the fair value of its commitments as assets of \$1.0 million and \$2.1 million at June 30, 2022 and 2021, respectively, in its statements of net position. As the commitments are considered investment derivative instruments, the changes in fair value should be reported as increases or (decreases) to other income of \$(1.1 million) and \$(0.9 million) for the years ended June 30, 2022 and 2021, respectively, in its statements of revenue, expenses, and changes in net position.

Swap Up-Front Payment

In connection with several debt issuances beginning in 2010, certain of the Authority's swapped variable rate demand bonds have been refunded with new variable rate demand bonds. In accordance with GASB 53, the related swap agreements were deemed terminated and reassociated with the refunding bonds with no changes in contract terms, resulting in recognition of deemed swap up-front payments initially totaling \$52.1 million, which are being amortized to interest expense over the life of the swap agreements.

Unearned Revenue

Compliance monitoring fees received by the Authority at the time a Low-Income Housing Tax Credit (LIHTC) project is placed in service are deferred and used to defray the administrative expenses of the Authority for annually monitoring the project's continued compliance with federal regulations. These fees are amortized to fee income over the 15-year compliance period.

Arbitrage

Earnings on certain loans and investments are subject to the arbitrage requirements of the Internal Revenue Code (IRC). Estimated excess earnings on investments that may be rebated to the U.S. Treasury Department are recorded in accrued liabilities. Estimated excess earnings on loans that must be used through other qualified Authority loan programs or paid to the U.S. Treasury Department are recorded in the Mortgage Subsidy Reserve.

Arbitrage rebate amounts that are the result of investment yields are recorded as a reduction of interest income on investments. Arbitrage rebate amounts that result from gains on sales of investment securities are recorded as a reduction to the net increase (decrease) in the fair value of investments. Changes in Mortgage Subsidy Reserve resulting from changes to loan interest spreads are recorded as increase (decrease) in interest income on loans.

Federal Grant Revenue and Expense

The Authority is a subrecipient of grant funds in connection with the federal Homeowners Assistance Fund program. Grant proceeds are retained by the Authority to cover the cost of program administration.

Income Taxes

Income of the Authority, which was formed under Nebraska Revised Statute Section 58-226 as a body politic and independent instrumentality, is excludable from gross income under Section 115(1) of the IRC because such income is generated by the performance of essential governmental functions. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Recently Issued GASB Pronouncements

During the fiscal year ending June 30, 2022, the Authority adopted GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of GASB Statement No. 87 did not have a material effect on the Authority's financial statements and disclosures.

During the fiscal year ending June 30, 2022, the Authority adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement removes LIBOR as an appropriate benchmark interest rate. In anticipation of the effective date of this Statement, the Authority identified its existing financial instruments that use LIBOR as a reference rate. The Authority's Standby Bond Purchase Agreements were amended to replace LIBOR with Secured Overnight Financing Rate (SOFR), and the Authority's interest rate swap agreement with a floating rate option that converts to LIBOR in the future includes fallback provisions for the reference rate. The adoption of GASB Statement No. 93 did not have a material effect on the Authority's financial statements and disclosures.

Upcoming GASB Pronouncements

GASB issued Statement No. 96, *Subscription-Based Information Technology Agreements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on accounting and financial reporting for subscription-based technology arrangements, contracts that convey control of the right to use a vendor's information technology software alone or in combination with tangible capital assets for a period of time in an exchange-like transaction. To the extent relevant, the guidance is based on standards established in GASB Statement No. 87, *Leases*. The Authority is currently evaluating the impact that the adoption of GASB Statement No. 96 will have on its financial statements.

Reclassifications

Certain reclassifications have been made to June 30, 2021, reported amounts in the statements of net position and cash flows in order to conform to June 30, 2022, presentation. These reclassifications had no effect on net position or change in net position.

Note 3 - Asset Restrictions

All assets within program accounts are restricted to the payment of principal, interest, sinking fund installments, and other purposes in accordance with the terms of each respective bond and note resolution. The financial statements contain the total of all program and operating accounts. However, since the assets of each program account are restricted by the related resolutions, the totaling of the accounts, including assets therein, is for convenience only and does not indicate that the total assets are available in any manner other than that provided for in the resolutions of the separate accounts.

Note 4 - Cash and Investments**Cash**

The Authority had cash deposits with a carrying value of \$1.2 million and \$0.7 million as of June 30, 2022 and 2021, respectively, and a bank balance of \$1.3 million and \$0.8 million as of June 30, 2022 and 2021, respectively. None of the deposits were uninsured and uncollateralized.

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2022 and 2021

Investments

Investments are reported in the statements of net position as follows (dollars in thousands):

	2022	2021
Unrestricted investments (current)	\$ 84,111	\$ 78,323
Restricted investments (current)	46,697	44,112
Restricted investments (noncurrent)	20,921	66,715
	<u>\$ 151,729</u>	<u>\$ 189,150</u>

The net change in fair value of investments was a (decrease) increase of \$(118,000) and \$90,000 for the years ended June 30, 2022 and 2021, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. At June 30, 2022 and 2021, the Authority had net unrealized losses of approximately \$474,000 and \$6,000, respectively, in its investment portfolio.

The investment of funds is restricted by the Act and the various bond indentures of the Authority. Funds not needed for immediate disbursement (other than funds invested pursuant to the terms of specific bond indentures) are required by the Act to be invested in direct and general obligations of, or obligations guaranteed by, the United States of America, obligations issued by certain agencies of the federal government, obligations issued by the State of Nebraska, or certain obligations or securities that may from time to time be legally purchased by governmental subdivisions of Nebraska.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2022, the Authority had the following investments and maturities (dollars in thousands):

Investment type	Carrying value	2022			
		Investment maturities (in years)			
		Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	\$ 117,062	\$ 117,062	\$ -	\$ -	\$ -
U.S. government agency securities	24,753	24,753	-	-	-
Collateralized repurchase agreements	673	673	-	-	-
Money market mutual funds	9,241	9,241	-	-	-
	<u>\$ 151,729</u>	<u>\$ 151,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2022 and 2021

At June 30, 2021, the Authority had the following investments and maturities (dollars in thousands):

Investment type	Carrying value	2021			
		Investment maturities (in years)			
		Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	\$ 106,606	\$ 106,606	\$ -	\$ -	\$ -
U.S. government agency securities	52,994	52,994	-	-	-
Collateralized repurchase agreements	610	610	-	-	-
Money market mutual funds	28,940	28,940	-	-	-
	<u>\$ 189,150</u>	<u>\$ 189,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk: Investment of funds within each bond issue is limited to investments specified in the applicable indentures to meet the requirements of the rating agency providing the rating on the issue. The Authority's investments in short-term U.S. government agencies and money market mutual funds are rated in the highest short-term rating category by Standard & Poor's and Moody's Investors Service (Moody's) as of June 30, 2022 and 2021. Repurchase agreements are with counterparties whose credit ratings or structures do not adversely affect the rating, if any, on the corresponding bonds.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority is exposed to custodial credit risk on its repurchase agreements of \$0.7 million and \$0.6 million at June 30, 2022 and 2021, respectively, as the collateral is held by the counterparties, but not in the Authority's name.

Concentration of Credit Risk: The Authority places no limit on the amount it may invest in any one issuer. As of June 30, 2022 and 2021, the Authority had greater than 5% of its investment balance with the following issuers:

Issuer	2022	2021
Federal Home Loan Bank	16.3%	28.0%
Wells Fargo	6.5%	15.6%

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2022 and 2021

Investments Valued at Fair Value: Governmental Accounting Standards Board (GASB) Statement No. 72 provides a framework for fair value that 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.); or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 – Unobservable inputs for assets or liabilities that reflect the Authority's own assumptions about the assumptions that market participants would use.

The asset's 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.

The Authority's investments have the following recurring fair value measurements as of June 30, 2022 and 2021:

June 30, 2022				
Fair value measurement using				
Investments by fair value level	Total fair value	(Level 1)	(Level 2)	(Level 3)
Debt securities:				
U.S. Treasury securities	\$ 117,062	\$ 117,062	\$ -	\$ -
U.S. government agency securities	24,753	-	24,753	-
Collateralized repurchase agreements	673	673	-	-
Money market mutual funds	9,241	9,241	-	-
Total investments by fair value level	<u>\$ 151,729</u>	<u>\$ 126,976</u>	<u>\$ 24,753</u>	<u>\$ -</u>
June 30, 2021				
Fair value measurement using				
Investments by fair value level	Total fair value	(Level 1)	(Level 2)	(Level 3)
Debt securities:				
U.S. Treasury securities	\$ 106,606	\$ 106,606	\$ -	\$ -
U.S. government agency securities	52,994	-	52,994	-
Collateralized repurchase agreements	610	610	-	-
Money market mutual funds	28,940	28,940	-	-
Total investments by fair value level	<u>\$ 189,150</u>	<u>\$ 136,156</u>	<u>\$ 52,994</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for investments measured at fair value:

- Debt securities (Level 1) are valued using prices quoted in active markets.
- Debt securities (Level 2) are valued using matrix pricing.
- Collateralized repurchase agreements are valued at the daily closing price.
- Money market mutual funds are valued at the daily closing price as reported by the fund.

Securitized mortgage loans are reported at amortized cost in the statement of net position; however, the fair value of the Authority's securitized mortgage loans is disclosed in Note 2. Fair value is determined by using quoted prices for similar assets in active markets. In the fair value hierarchy, securitized mortgage loans are valued using Level 2 inputs. See Note 9 for fair value considerations related to the Authority's derivative instruments.

Note 5 - Loans Receivable

Single Family

Single family Ginnie Mae I, Fannie Mae, and Freddie Mac mortgage-backed pass-through certificates and Uniform Mortgage-Backed Securities (collectively, "securitized mortgage loans"), which comprise 98% of the total single family loan portfolio, are backed by the guarantee of Ginnie Mae, Fannie Mae, or Freddie Mac, respectively, of monthly payments on the underlying pool of single family mortgage loans, which were originated pursuant to the Authority's Single Family Program. Since Ginnie Mae is a wholly owned corporate instrumentality of the United States, the full faith and credit of the United States is pledged to the payment of all amounts due under such guarantee. The obligations of Fannie Mae and Freddie Mac are obligations solely of Fannie Mae and Freddie Mac, respectively, and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae or Freddie Mac were unable to satisfy such obligations, distributions to the Authority would consist solely of payments and other recoveries on the underlying mortgage loans, and, accordingly, monthly distributions to the Authority from Fannie Mae and Freddie Mac would be affected by delinquent payments and defaults on such mortgage loans. In accordance with the Federal Housing and Economic Recovery Act of 2008, the Federal Housing Finance Agency was named as conservator of both Fannie Mae and Freddie Mac.

The Authority uses various financing techniques to lower bond costs and utilizes these cost savings to subsidize mortgage loans with interest rates below market. The Mortgage Subsidy Reserve of \$33.4 million and \$33.5 million at June 30, 2022 and 2021, respectively, is net of the amount passed through to borrowers in the form of lower mortgage interest rates.

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The following table reconciles the mortgage subsidy reserve for the years ended June 30, 2022 and 2021 (dollars in thousands):

	2022	2021
Balance, Beginning of Year	\$ 33,515	\$ 34,692
Savings realized	2,676	2,941
Savings used	(2,775)	(4,118)
Balance, End of Year	<u>\$ 33,416</u>	<u>\$ 33,515</u>

The savings used, as presented in the above table, represents the amount of interest subsidy consumed by subsidized mortgage loans during each year. Based upon the current mix of mortgage interest rates and the current makeup of the related debt structure, it is estimated that approximately 48%, on a present value basis, of the subsidy reserve balance will be used in future years without the purchase of any additional subsidized mortgage loans.

In connection with its Single Family Mortgage Program, the Authority offers the Homebuyer Assistance (HBA) Program whereby a qualified borrower can receive down payment and closing cost assistance from the Authority in the form of a second lien mortgage loan. The second mortgages bear interest and are repayable in equal monthly installments over a term ranging from 7 to 10 years. These loans are secured solely by a second lien on the respective properties. Included in loans receivable at June 30, 2022 and 2021, are HBA Program second mortgage balances totaling \$20.6 million and \$17.8 million, respectively.

In connection with its Single Family Mortgage Program, the Authority purchases loans from Habitat for Humanity of Omaha (Habitat) with full recourse. These loans are both first mortgages, the proceeds of which were used to purchase homes, and second mortgages, the proceeds of which funded certain repairs and improvements to homes. Certain of these loans do not charge interest. Habitat agrees to repurchase defaulted loans. Included in loans receivable at June 30, 2022 and 2021, are Habitat loan balances totaling \$6.8 million and \$7.2 million, respectively.

Note 6 - Bonds Payable

All general obligations of the Authority are payable from the revenue and assets of the Authority, subject to the provisions of individual resolutions adopted pledging particular revenue or assets to specific notes or bonds. As of June 30, 2022 and 2021, the Authority had no general obligation bonds outstanding.

All special or limited obligations of the Authority are payable solely from the revenue and assets of the related accounts pledged therefore. Bond series marked with an asterisk (*) have been issued pursuant to the Authority's 1994 Single Family Housing Revenue Bond Indenture and are equally and ratably secured by all assets which are pledged under such indenture. Provisions of the IRC limit, on an aggregate basis, the amount of tax-exempt bonds the Authority and political subdivisions of the State of Nebraska may issue.

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At June 30, 2022 and 2021, bonds outstanding are as follows (dollars in thousands):

Description and maturity	Principal outstanding		Interest terms
	2022	2021	
* 2013 Series AB, due 2022–2043	\$ 28,640	\$ 33,190	2.50%–3.60%, payable semiannually
* 2013 Series CD, due 2027–2028	10,260	12,500	4.40%, payable semiannually
* 2013 Series EF:			
E (fixed rate), due 2022–2024	3,670	5,580	3.30%–3.65%, payable semiannually
F (variable rate), due 2022–2038	19,985	20,765	Var. rate demand, payable semiannually
* 2014 Series AB:			
A (fixed rate), due 2022–2044	5,955	9,555	2.60%–4.00%, payable semiannually
B (variable rate), due 2022–2038	21,160	21,965	Var. rate demand, payable semiannually
* 2015 Series AB:			
A (fixed rate), due 2022–2045	11,065	20,510	2.30%–3.85%, payable semiannually
B (variable rate), due 2022–2038	16,420	17,040	Var. rate demand, payable semiannually
* 2015 Series CD:			
C (fixed rate), due 2022–2045	7,150	12,510	2.35%–3.50%, payable semiannually
D (variable rate), due 2022–2032	13,735	14,705	Var. rate demand, payable semiannually
* 2016 Series AB:			
A (fixed rate), due 2022–2046	27,620	34,095	1.90%–3.50%, payable semiannually
B (variable rate), due 2022–2032	13,985	14,970	Var. rate demand, payable semiannually
* 2016 Series CD:			
C (fixed rate), due 2022–2046	18,545	35,690	1.70%–3.50%, payable semiannually
D (variable rate), due 2022–2032	21,500	23,010	Var. rate demand, payable semiannually
* 2017 Series ABC:			
AB (fixed rate), due 2022–2040	19,690	26,365	1.50%–3.50%, payable semiannually
C (variable rate), due 2040–2047	15,820	15,820	Var. rate demand, payable semiannually
* 2018 Series AB:			
A (fixed rate), due 2022–2048	18,620	25,040	2.125%–4.00%, payable semiannually
B (variable rate), due 2037–2048	12,000	12,000	Var. rate demand, payable semiannually
* 2018 Series CD:			
C (fixed rate), due 2022–2048	43,865	57,785	2.125%–4.00%, payable semiannually
D (variable rate), due 2037–2048	14,115	34,115	Var. rate demand, payable semiannually
* 2019 Series ABC:			
AB (fixed rate), due 2022–2049	36,795	46,975	1.85%–4.00%, payable semiannually
C (variable rate), due 2035–2049	41,045	41,045	Var. rate demand, payable semiannually
* 2019 Series DE, due 2022–2049	74,135	148,755	1.55%–3.75%, payable semiannually
* 2020 Series A, due 2022–2050	102,980	119,065	0.80%–3.50%, payable semiannually
* 2020 Series BC, due 2022–2050	76,970	81,590	0.65%–3.00%, payable semiannually
* 2021 Series AB:			
A (fixed rate), due 2022–2045	64,770	71,640	0.20%–3.00%, payable semiannually
B (variable rate), due 2045–2050	20,000	20,000	Var. rate demand, payable semiannually
* 2021 Series C, due 2022–2050	126,495	-	1.55%–5.00%, payable semiannually
* 2022 Series ABC:			
AB (fixed rate), due 2022–2052	75,440	-	2.05%–5.00%, payable semiannually
C (variable rate), due 2036–2051	20,000	-	Var. rate demand, payable semiannually
2011 Series 1, due 2040–2041	4,622	5,975	2.975%–3.975%, payable monthly
2011 Series A and 2009 Series A, Subseries A-1, due 2022–2041	-	19,320	Redeemed in 2022
Total principal outstanding	987,052	1,001,575	
Unamortized premium	22,972	15,459	
Total bonds payable	\$ 1,010,024	\$ 1,017,034	

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Redemption Provisions: The Single Family Mortgage Revenue Bonds are subject to certain early redemption provisions, both mandatory and at the option of the Authority. The Authority redeems debt pursuant to the provisions of the related agreements that permit excess revenue and mortgage loan payments and prepayments to be used to retire the obligations at par. With the exception of the 2011 Series 1 bonds, optional redemptions of fixed rate bonds are allowed at various dates approximately 9 years after issuance at prices ranging from 102.3% to par, all of which reduce within 3.5 years to par. The 2011 Series 1 bonds are subject to redemption at par once the outstanding principal balance is less than ten percent of the original principal amount issued. Optional redemptions of variable rate bonds are allowed at any time at par.

Variable Rate Interest Terms (Single Family Mortgage Revenue): The variable rate demand bonds pay interest using a variable rate determined weekly by the remarketing agent for such bonds.

Debt Activity: The following table summarizes the Authority's debt activity for the years ended June 30, 2022 and 2021, and amounts due within one year (dollars in thousands):

	2022	2021
Beginning of Year	\$ 1,017,034	\$ 1,300,976
Issuance	238,428	182,498
Retirement	(239,234)	(462,262)
Premium amortization	(6,204)	(4,178)
End of Year	<u>\$ 1,010,024</u>	<u>\$ 1,017,034</u>
Due Within One Year	<u>\$ 37,190</u>	<u>\$ 34,625</u>

Debt Service Requirements: Debt service requirements annually through 2027, and in five-year increments thereafter to maturity, are as follows (dollars in thousands):

Year(s) Ended June 30,	Principal	Interest	Total debt service
2023	\$ 37,190	\$ 24,407	\$ 61,597
2024	39,450	23,784	63,234
2025	29,345	22,988	52,333
2026	22,265	22,425	44,690
2027	25,610	21,876	47,486
2028–2032	137,885	98,635	236,520
2033–2037	162,925	83,482	246,407
2038–2042	191,607	62,123	253,730
2043–2047	222,700	33,439	256,139
2048–2052	118,075	5,838	123,913
	<u>\$ 987,052</u>	<u>\$ 398,997</u>	<u>\$ 1,386,049</u>

Variable Rate Demand Bonds: Included in bonds payable are \$229.8 million and \$235.4 million at June 30, 2022 and 2021, respectively, of single family mortgage revenue bonds (the demand bonds) that are subject to purchase on the demand of the bondholder, with seven days' notice, at a price equal to 100% of the principal amount plus accrued interest. In connection with the demand bonds, the Authority has entered into Remarketing Agreements that authorize the remarketing agent to use its best efforts to sell repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The Authority also has entered into Standby Bond Purchase Agreements (the SBPAs) with Federal Home Loan Bank of Topeka (FHLBank) whereby the FHLBank agrees to purchase demand bonds that the remarketing agent has been unable to remarket. The obligation of FHLBank is subject to the demand bonds maintaining a long-term rating by S&P of not lower than BBB-. Bonds purchased by the FHLBank bear interest at SOFR plus 1.65%, not to exceed 25%, and interest is payable monthly. The SBPAs have terms ranging from two to three years, which may be extended at the request of the Authority for such period as may be mutually agreed to between the Authority and FHLBank. The termination dates on the SBPAs range from September 1, 2023 to March 1, 2026. No amounts have been drawn on these agreements to date.

Any demand bonds that cannot be remarketed within 91 days of being purchased by FHLBank are subject to mandatory payment by the Authority in 10 equal semiannual principal installments plus interest payable monthly. If this provision was exercised on June 30, 2022, due to a failed remarketing on the entire amount of outstanding demand bonds of \$229.8 million, the Authority would be required to make semiannual principal payments of \$23.0 million for the next five years, and interest payments, assuming an interest rate of 3.15% (SOFR as of June 30, 2022, plus 1.65%), totaling \$21.4 million over the next five years.

Under the Standby Bond Purchase Agreements, the Authority is required to pay to FHLBank a semiannual commitment fee ranging from 0.26% to 0.27% per annum of the sum of (a) the outstanding principal amount of demand bonds subject to the agreement, and (b) an amount equal to 205 days of interest on the outstanding principal amount of such bonds at a rate of 15.00% per annum. In addition, the Authority pays the remarketing agent a semiannual fee of 0.07% per annum of the outstanding principal amount of the demand bonds.

Note 7 - Conduit Debt Obligations

The Authority has issued conduit bonds, the proceeds of which were made available to eligible developers for the construction or rehabilitation of multi-family housing; to eligible first-time farmers and ranchers for the purchase of agricultural land, depreciable assets or breeding livestock; to eligible healthcare institutions for the financing of depreciable assets; and to other eligible borrowers for the financing of industrial development projects. The bonds and interest thereon are a limited obligation of the Authority, payable solely from payments received on the underlying mortgage or promissory notes, or, in some cases, from payments received pursuant to agreements with third-party credit enhancement providers. The faith and credit of the Authority is not pledged for the payment of principal and interest on the bonds, and no additional or voluntary commitments of its own resources have been extended by the Authority. Accordingly, these obligations are excluded from the Authority's financial statements.

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As of June 30, 2022 and 2021, the principal amount of conduit debt outstanding, by type, was:

	2022	2021
Agricultural	\$ 20,442	\$ 19,426
Multifamily	42,282	44,816
Health Care	-	3,750
	<u>\$ 62,724</u>	<u>\$ 67,992</u>

Subsequent to year end, approximately \$14.0 of conduit debt was paid off.

Note 8 - Debt Refundings

On July 29, 2021, the Authority issued \$129.27 million of Single Family Housing Revenue Bonds 2021 Series C. Proceeds of certain of the bonds (the Refunding Bonds) totaling \$18.6 million were deposited with the bond trustee for the Single Family Homeownership Revenue Bonds 2009 Series A, Subseries A-1 and 2011 Series A (the Refunded Bonds). These proceeds were used to redeem the 2009 Series A, Subseries A-1 bonds on August 2, 2021, and the 2011 Series A bonds on September 1, 2021. The refunding decreases the Authority's debt costs by lowering the yield and shortening the structure, reducing total debt service payments by approximately \$4.9 million. The difference between the present value of cash flow required for debt service between the Refunding Bonds and the Refunded Bonds, net of cost of issuance, results in an economic gain of approximately \$3.8 million.

On February 24, 2022, the Authority issued \$95.44 million of Single Family Housing Revenue Bonds 2022 Series A, B and C. Proceeds of the 2022 Series B Bonds (the Refunding Bonds) totaling \$19.8 million, along with additional cash from the Authority, were used to refund a portion of the 2018 Series D Bonds (the Refunded Bonds). The refunding decreases the Authority's debt costs by lowering the yield and shortening the structure, reducing total debt service payments by approximately \$7.2 million. The difference between the present value of cash flow required for debt service between the Refunding Bonds and the Refunded Bonds, net of cost of issuance, results in an economic gain of approximately \$1.0 million.

The refundings did not result in a deferred loss, in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities* (GASB 23). The Authority completed the refundings primarily to provide more flexibility to manage the Single Family Program and related yield requirements under the IRC. Any savings achieved as a result of the refundings cannot be retained by the Authority but must be returned to borrowers under the Single Family Program or to the U.S. Treasury.

Note 9 - Derivative Instruments

The Authority uses derivative financial instruments to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. The Authority's derivatives consist of swap agreements entered into in connection with its issuance of variable rate mortgage revenue bonds.

Swap agreements allow the Authority to raise funds at variable rates and effectively swap them into fixed rates that are lower than those available to the Authority if fixed rate borrowings were made directly. These contracts involve the exchange of variable rate for fixed rate payments between two parties (without the exchange of the underlying principal amount) based on a common notional amount and maturity date.

At June 30, 2022, the Authority has pay-fixed, receive-variable swap agreements outstanding with the following terms (dollars in thousands):

Bond series	Effective date	Termination date	Fixed rate paid	Variable rate received	Counterparty credit rating*
2017 C / 2018 B / 2018 D / 2019 C	12/29/2010	9/1/2031	4.013 %	SIFMA + 0.12%	AA-/Aa2/AA
2013 F	12/29/2010	3/1/2038	3.945	SIFMA + 0.12%	AA-/Aa1/AA-
2014 B / 2015 B	12/22/2010	9/1/2038	3.942	SIFMA + 0.12%	A/A1/A+
2015 D / 2016 B / 2016 D	12/29/2010	9/1/2032	3.889	SIFMA + 0.22%	AA-/Aa1/AA-
2019 C	4/30/2019	9/1/2049 (1)	2.342	SIFMA(1)	AA-/Aa2/AA
2021 B	2/23/2021	9/1/2041 (2)	1.631	SIFMA	AA-/Aa1/AA-
2022 C	6/1/2022	9/1/2041 (3)	2.019	SIFMA (3)	AA-/Aa1/AA-
2022 E	8/2/2022	3/1/2033	2.196	70% SOFR + 0.10%	AA-/Aa2/AA

* Standard & Poor's/Moody's/Fitch ratings as of June 30, 2022

(1) Swap variable rate changes to 70% of LIBOR on 3/1/28 and is cancelable on or after that date

(2) Cancelable on or after 3/1/2030

(3) Swap variable rate changes to 70% SOFR + 0.10% on 9/1/31 and is cancelable on or after that date

At June 30, 2021, the Authority had pay-fixed, receive-variable swap agreements outstanding with the following terms (dollars in thousands):

Bond series	Effective date	Termination date	Fixed rate paid	Variable rate received	Counterparty credit rating*
2017 C / 2018 B / 2018 D / 2019 C	12/29/2010	9/1/2031	4.013 %	SIFMA + 0.12%	AA-/Aa2/AA
2013 F	12/29/2010	3/1/2038	3.945	SIFMA + 0.12%	AA-/Aa2/AA
2014 B / 2015 B	12/22/2010	9/1/2038	3.942	SIFMA + 0.12%	A/A1/A+
2015 D / 2016 B / 2016 D	12/29/2010	9/1/2032	3.889	SIFMA + 0.22%	AA-/Aa2/AA
2019 C	4/30/2019	9/1/2049 (1)	2.342	SIFMA(1)	AA-/Aa2/AA
2021 B	2/23/2021	9/1/2041 (2)	1.631	SIFMA	AA-/Aa2/AA

* Standard & Poor's/Moody's/Fitch ratings as of June 30, 2021

(1) Swap variable rate changes to 70% of LIBOR on 3/1/28 and is cancelable on or after that date

(2) Cancelable on or after 3/1/2030

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The Authority reports the fair value of its swap agreements on the statements of net position. The fair values, obtained from an independent source, represent, in accordance with market convention, the valuation of the financial elements of each swap agreement. The valuation is determined by the zero-coupon method using Level 2 inputs, as defined in GASB Statement No. 72, and takes into account nonperformance risk. To the extent that a particular transaction contains restrictive transfer, collateralization, or termination event language, it could be expected that such provisions would impact the ability to terminate a swap agreement at these estimated market values.

As of June 30, 2022 and 2021, the Authority's swap agreements have been determined to be hedging derivatives, as defined by GASB 53. Accordingly, the change in fair value has been deferred in the statements of net position as accumulated increase or decrease in fair value of hedging derivatives.

Fair values, excluding accrued interest, as of June 30, 2022 and 2021, and change in fair value for the years then ended are as follows (dollars in thousands):

2022				
	Current notional	Contract fair value	Financial statement	
			Fair value	Change in fair value
Bond series:				
2017 C / 2018 B / 2018 D / 2019 C	\$ 44,135	\$ (2,009)	\$ 887	\$ 3,223
2013 F	16,340	(928)	197	1,583
2014 B / 2015 B	30,405	(1,694)	909	2,700
2015 D / 2016 B / 2016 D	30,055	(1,048)	1,063	1,877
2019 C	19,350	831	831	2,371
2021 B	15,000	2,519	2,519	2,270
2022 C	15,000	1,230	1,230	1,230
2022 E	50,000	(276)	(276)	(276)
Total	<u>\$ 220,285</u>	<u>\$ (1,375)</u>	<u>\$ 7,360</u>	<u>\$ 14,978</u>

2021				
	Current notional	Contract fair value	Financial statement	
			Fair value	Change in fair value
Bond series:				
2017 C / 2018 B / 2018 D / 2019 C	\$ 52,915	\$ (6,414)	\$ (2,336)	\$ 1,481
2013 F	18,450	(2,870)	(1,386)	774
2014 B / 2015 B	34,470	(5,264)	(1,791)	1,241
2015 D / 2016 B / 2016 D	36,980	(3,846)	(814)	790
2019 C	19,350	(1,540)	(1,540)	897
2021 B	15,000	249	249	249
Total	<u>\$ 177,165</u>	<u>\$ (19,685)</u>	<u>\$ (7,618)</u>	<u>\$ 5,432</u>

In accordance with GASB 53, the fair value of the Authority's swap agreements in the statements of net position is determined using the on-market swap rates as of the date of inception of the swap agreements, and in the case of reassociation of swap agreements with refunding bonds, on the refunding date. In the case of refundings, the contractual fixed rates, which the Authority pays to the counterparties, are higher than these rates. If the Authority opted to terminate the swap agreements, the termination payments to the counterparties would be based on the contractual rates. The tables above disclose both the financial statement fair value and the contractual fair value to give financial statement users a clear picture of the Authority's actual liability related to the swap agreements.

Interest Rate Swap Payments and Associated Debt

The following table (dollars in thousands) summarizes debt service requirements of the Authority's outstanding variable rate bonds and net swap payments, using variable interest rates in effect as of June 30, 2022, for the life of the bonds and swaps. As interest rates vary, variable rate bond interest, and net swap payments will also vary, inversely.

Fiscal years:	Variable rate bond payments		Swap net payment	Total payments
	Principal	Interest		
2023	\$ 5,930	\$ 1,943	\$ 4,180	\$ 12,053
2024	6,225	2,180	3,873	12,278
2025	6,590	2,107	3,335	12,032
2026	6,965	2,045	2,821	11,831
2027	7,385	1,974	2,347	11,706
2028–2032	42,540	8,670	6,375	57,585
2033–2037	34,330	6,738	2,739	43,807
2038–2042	35,215	5,007	1,834	42,056
2043–2048	51,705	3,081	492	55,278
2048–2052	32,880	552	76	33,508
	<u>\$ 229,765</u>	<u>\$ 34,297</u>	<u>\$ 28,072</u>	<u>\$ 292,134</u>

Credit Risk

The Authority's swap agreements are with three separate counterparties. The Authority is exposed to credit risk on its outstanding swap agreements to the extent they have positive contract fair values (fair value based on the contractual terms of the swap agreements, as opposed to fair value accounting for hybrid instruments under GASB 53). The Authority had three contracts, with two separate counterparties, with a positive fair value totaling \$4.6 million at June 30, 2022, and one contract with a positive fair value of \$249,000 at June 30, 2021. The contracts require the party in a negative fair value position to post collateral to the extent the fair value exceeds certain collateral thresholds. The collateral thresholds are based on the prevailing ratings of the counterparty and of the Authority's unenhanced general obligation. As of June 30, 2022 and 2021, neither the Authority nor any counterparty had been required to post collateral.

Basis Risk

The variable rate debt hedged by the Authority's swap agreements are variable rate demand obligation bonds that are remarketed weekly. Because the variable rate received under the swap agreements is based on a published index (SIFMA or SOFR) plus a specified spread, the Authority is exposed to basis risk. As of June 30, 2022 and 2021, the interest rate on the variable rate bonds was 0.95% and 0.05%, respectively, for bonds not subject to AMT, and 1.00% and 0.06%, respectively, for bonds subject to AMT. As of June 30, 2022 and 2021, the SIFMA index was 0.91% and 0.03%, respectively. At June 30, 2022, the SOFR index (currently in effect only for the newest swap agreement) was 1.50%.

Termination Risk

The swap agreements may be terminated by either the Authority or the counterparty if the other party fails to perform under the terms of the agreement or upon certain termination events. The potential termination risks to the Authority are the liability for a termination payment to the counterparty if the swap agreements have negative fair values, and the inability to replace the swap agreement on favorable terms.

Amortization Risk

The Authority is exposed to amortization risk because prepayments from the mortgage loan portfolio may cause the outstanding amount of variable rate bonds to decline faster or slower than the amortization of the swap notional amounts. The Authority manages this risk in various ways, including leaving the balance of variable rate debt in excess of the swap notional amounts, which exposes the Authority to the risk of incurring higher interest costs on the unhedged variable rate debt. The Authority may terminate the swaps at market value at any time.

Rollover Risk

The Authority is exposed to rollover risk on its swap agreements that mature prior to the maturity date of the associated variable rate bonds they are hedging. In the case of four of the Authority's swap agreement, the variable rate bond maturities extend beyond the swap agreement maturity by seven to sixteen years. The Authority believes that prepayments from mortgage loans used to redeem bonds prior to their maturity will be sufficient to minimize this risk.

Commitments

All of the Authority's swap agreements include provisions that may require the Authority to post collateral in the event its general obligation rating falls below A – as issued by Standard & Poor's or A3 as issued by Moody's and the aggregate fair value of the swap contracts entered into with each swap counterparty is in a liability position. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain agency securities, in the amount of the aggregate fair value of the swap contracts with each counterparty (if in a liability position) less contractually specified threshold levels. The Authority's general obligation rating exceeds the rating requirement as of June 30, 2022 and 2021; therefore, there is no collateral posting requirement.

Note 10 - Retirement Plans

The Authority administers two defined contribution plans for eligible employees, the Employees' Money Purchase Plan and the Deferred Compensation Plan. Participants in both plans direct the investment of their contributions and any employer match to one or more of the fund options available within the plans. Contributions and earnings within the plans are tax deferred until withdrawal, with the exception of Roth contributions to the Deferred Compensation Plan.

Eligible employees are automatically enrolled in the Employees' Money Purchase Plan after six months of service unless they make a one-time irrevocable election to waive participation. Contribution and employer match rates are set by the plan. The employee contribution rate is 3.6% of the employee's monthly compensation plus 1.2% of monthly compensation in excess of \$2,000. The employer contribution is 7.62% of the employee's monthly compensation plus 1.87% of monthly compensation in excess of \$2,000. Vesting in the employer match occurs over the participant's first six years of service, with forfeitures used to reduce future employer match. The Authority's retirement plan expense was \$221,000 and \$220,000 for the fiscal years ending June 30, 2022 and 2021, respectively.

Employees of the Authority are eligible to enroll in the Deferred Compensation Plan upon hire or on the first day of the month following their election to participate. All contributions to this plan are voluntary and made by employees, with no employer match. Employees may designate all or a portion of their contributions as Roth contributions.

Plan benefits depend solely on amounts contributed to the plan and investment earnings and losses, less administrative expenses.

Note 11 - Segment Information

The Authority issues bonds to finance the purchase of mortgage-backed securities in connection with its Single Family mortgage revenue bond program. The bond programs are accounted for in a single enterprise fund, but investors rely on the revenue generated by the activities within each individual bond indenture. Summary financial information for each indenture as of and for the year ended June 30, 2022, is presented below (dollars in thousands):

	Single Family 1994 Indenture	Single Family 2009 Indenture	Single Family GNMA MBS Indenture
Current assets	\$ 46,678	\$ -	\$ 13
Other assets	1,331,476	-	4,625
Total assets	1,378,154	-	4,638
Deferred outflows of resources	10,797	-	-
Current liabilities	46,702	-	13
Noncurrent liabilities	1,001,904	-	4,622
Total liabilities	1,048,606	-	4,635
Deferred inflows of resources	18,283	-	-
Restricted net position	\$ 322,062	\$ -	\$ 3
Operating revenues	\$ 36,813	\$ 54	\$ 210
Operating expenses	24,652	58	183
Operating income	12,161	(4)	27
Transfers in (out)	2,774	(4,171)	(28)
Change in net position	14,935	(4,175)	(1)
Beginning net position	307,127	4,175	4
Ending net position	\$ 322,062	\$ -	\$ 3
Net cash provided by (used in):			
Operating activities	\$ (31,335)	\$ 17,492	\$ 1,540
Noncapital financing activities	(9,888)	(19,540)	(1,540)
Investing activities	41,229	2,048	-
Net increase (decrease) in cash	6	-	-
Beginning cash	-	-	-
Ending cash	\$ 6	\$ -	\$ -

Note 12 - Subsequent Events

On August 2, 2022, the Authority issued \$136.98 million of 2022 Series D and E Single Family Housing Revenue Bonds. The proceeds are being used to make funds available to purchase mortgage loans, mortgage-backed securities, and second mortgage loans made to finance down payment and closing costs of qualified homebuyers. Additionally, proceeds in the amount of \$36.98 million were used to refund the Authority's outstanding Single Family Housing Revenue Bonds 2013 Series A and 2013 Series C. In connection with the 2022 Series E bonds, the Authority entered into an interest rate swap agreement on June 29, 2022, with an effective date of August 2, 2022. The swap agreement is included in the Authority's derivatives disclosures in Note 9.

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Supplementary Information
June 30, 2022 and 2021

Nebraska Investment Finance Authority

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Nebraska Investment Finance Authority
Supplemental Asset and Liability Information – All Divisions
(Dollars in Thousands)
June 30, 2022 and 2021

	Division			
	Single Family Finance	Operating	2022 Total	2021 Total
Assets				
Current assets:				
Cash	\$ -	\$ 1,198	\$ 1,198	\$ 656
Investments	-	84,111	84,111	78,323
Interest receivable	-	3	3	31
Loans receivable	-	66	66	404
Other current assets	(24)	274	250	172
Restricted assets:				
Cash	6	-	6	-
Investments	46,697	-	46,697	44,112
Interest receivable	12	-	12	16
Total current assets	46,691	85,652	132,343	123,714
Noncurrent assets:				
Loans receivable	-	129	129	14,357
Restricted assets:				
Investments	20,921	-	20,921	66,715
Interest receivable	3,349	-	3,349	3,435
Loans receivable	1,304,191	-	1,304,191	1,257,373
Fair value of derivatives	7,636	-	7,636	249
Other assets	4	268	272	345
Total noncurrent assets	1,336,101	397	1,336,498	1,342,474
Total assets	1,382,792	86,049	1,468,841	1,466,188
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	276	-	276	7,867
Loss on refunding	10,521	-	10,521	12,969
Total deferred outflows of resources	10,797	-	10,797	20,836
Total assets and deferred outflows	\$ 1,393,589	\$ 86,049	\$ 1,479,638	\$ 1,487,024
Liabilities				
Current liabilities:				
Accrued liabilities	\$ 56	\$ 1,912	\$ 1,968	\$ 8,095
Interest payable	9,469	-	9,469	9,428
Current portion of bonds payable	37,190	-	37,190	34,625
Total current liabilities	46,715	1,912	48,627	52,148
Noncurrent liabilities:				
Unearned revenue	276	3,546	3,822	3,236
Fair value of derivatives	-	-	-	7,867
Bonds payable, net of current portion	972,834	-	972,834	982,409
Mortgage subsidy reserve	33,416	-	33,416	33,515
Total noncurrent liabilities	1,006,526	3,546	1,010,072	1,027,027
Total liabilities	1,053,241	5,458	1,058,699	1,079,175
Deferred Inflows of Resources				
Accumulated increase in fair value of hedging derivatives	7,636	-	7,636	249
Swap up-front payment	10,647	-	10,647	13,320
Total deferred inflows of resources	18,283	-	18,283	13,569
Net Position				
Restricted by bond resolution	322,065	-	322,065	311,306
Unrestricted	-	80,591	80,591	82,974
Total net position	322,065	80,591	402,656	394,280
Total Liabilities, Deferred Inflows & Net Position	\$ 1,393,589	\$ 86,049	\$ 1,479,638	\$ 1,487,024

See Independent Auditor's Report

Nebraska Investment Finance Authority
Supplemental Asset and Liability Information – Single Family Finance Division
(Dollars in Thousands)
June 30, 2022 and 2021

	Single Family 1994 Indenture	Single Family GNMA MBS Indenture	Single Family Finance	
			2022 Total	2021 Total
Assets				
Current assets:				
Other current assets	\$ (24)	\$ -	\$ (24)	\$ 20
Restricted assets:				
Cash	6	-	6	-
Investments	46,696	1	46,697	44,112
Interest receivable	-	12	12	16
Total current assets	<u>46,678</u>	<u>13</u>	<u>46,691</u>	<u>44,148</u>
Noncurrent assets:				
Restricted assets:				
Investments	20,921	-	20,921	66,715
Interest receivable	3,346	3	3,349	3,435
Loans receivable	1,299,569	4,622	1,304,191	1,257,373
Fair value of derivatives	7,636	-	7,636	249
Other assets	4	-	4	38
Total noncurrent assets	<u>1,331,476</u>	<u>4,625</u>	<u>1,336,101</u>	<u>1,327,810</u>
Total assets	<u>1,378,154</u>	<u>4,638</u>	<u>1,382,792</u>	<u>1,371,958</u>
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	276	-	276	7,867
Loss on refunding	10,521	-	10,521	12,969
Total deferred outflows of resources	<u>10,797</u>	<u>-</u>	<u>10,797</u>	<u>20,836</u>
Total assets and deferred outflows	<u>\$ 1,388,951</u>	<u>\$ 4,638</u>	<u>\$ 1,393,589</u>	<u>\$ 1,392,794</u>
Liabilities				
Current liabilities:				
Accrued liabilities	\$ 56	\$ -	\$ 56	\$ 75
Interest payable	9,456	13	9,469	9,428
Current portion of bonds payable	37,190	-	37,190	34,625
Total current liabilities	<u>46,702</u>	<u>13</u>	<u>46,715</u>	<u>44,128</u>
Noncurrent liabilities:				
Fair value of derivatives	276	-	276	7,867
Bonds payable, net of current portion	968,212	4,622	972,834	982,409
Mortgage subsidy reserve	33,416	-	33,416	33,515
Total noncurrent liabilities	<u>1,001,904</u>	<u>4,622</u>	<u>1,006,526</u>	<u>1,023,791</u>
Total liabilities	<u>1,048,606</u>	<u>4,635</u>	<u>1,053,241</u>	<u>1,067,919</u>
Deferred Inflows of Resources				
Accumulated increase in fair value of hedging derivatives	7,636	-	7,636	249
Swap up-front payment	10,647	-	10,647	13,320
Total deferred inflows of resources	<u>18,283</u>	<u>-</u>	<u>18,283</u>	<u>13,569</u>
Net Position				
Restricted by bond resolution	<u>322,062</u>	<u>3</u>	<u>322,065</u>	<u>311,306</u>
Total Liabilities, Deferred Inflows & Net Position	<u>\$ 1,388,951</u>	<u>\$ 4,638</u>	<u>\$ 1,393,589</u>	<u>\$ 1,392,794</u>

See Independent Auditor's Report

Nebraska Investment Finance Authority
Supplemental Revenue and Expense Information – All Divisions
(Dollars in Thousands)
June 30, 2022 and 2021

	Division			
	Single Family Finance	Operating	2022 Total	2021 Total
Operating revenue:				
Interest income:				
Loans	\$ 37,026	\$ 180	\$ 37,206	\$ 45,470
Investments	9	3	12	3
Net increase (decrease) in fair value of investments	42	(160)	(118)	90
Fees and other income	-	2,329	2,329	2,166
Total operating revenue	37,077	2,352	39,429	47,729
Operating expenses:				
Interest	23,774	-	23,774	30,313
General and administrative	1,119	5,341	6,460	6,920
Nebraska Opportunity Fund	-	819	819	7,476
Total operating expenses	24,893	6,160	31,053	44,709
Non-operating revenue and expense:				
Federal grant revenue	-	452	452	-
Federal grant expense	-	(452)	(452)	-
Net non-operating	-	-	-	-
Change in Net Position	12,184	(3,808)	8,376	3,020
Internal Transfers	(1,425)	1,425	-	-
Net Position, Beginning of Year	311,306	82,974	394,280	391,260
Net Position, End of Year	\$ 322,065	\$ 80,591	\$ 402,656	\$ 394,280

Nebraska Investment Finance Authority
Supplemental Revenue and Expense Information – Single Family Finance Division
(Dollars in Thousands)
June 30, 2022 and 2021

	Single Family 1994 Indenture	Single Family 2009 Indenture	Single Family GNMA MBS Indenture	Single Family Finance	
				2022 Total	2021 Total
Operating revenue:					
Interest income:					
Loans	\$ 36,762	\$ 54	\$ 210	\$ 37,026	\$ 45,459
Investments	9	-	-	9	2
Net increase in fair value of investments	42	-	-	42	34
Total operating revenue	36,813	54	210	37,077	45,495
Operating expenses:					
Interest	23,539	52	183	23,774	30,313
General and administrative	1,113	6	-	1,119	1,150
Total operating expenses	24,652	58	183	24,893	31,463
Change in Net Position	12,161	(4)	27	12,184	14,032
Internal transfers	2,774	(4,171)	(28)	(1,425)	(1,483)
Net Position, Beginning of Year	307,127	4,175	4	311,306	298,757
Net Position, End of Year	\$ 322,062	\$ -	\$ 3	\$ 322,065	\$ 311,306

NIFA Board of Directors Meeting

October 14, 2022

Agenda Item #9

Consideration of a Motion to Adopt the NIFA Bond Issuance Policy for Multifamily Housing Revenue Bonds

Background Information:

In June 1999, the NIFA Board adopted policies regarding the issuance and sale of Bonds by NIFA, including bonds issued to finance multifamily rental housing. Requirements for the issuance of bonds differed depending on whether the bonds were to be “publicly” sold to the general public or “privately placed” with certain types of investors. These policies were further clarified by the Board in 2001 and in 2015.

Staff is recommending that the Board consider the adoption of the “updated” bond issuance policy (as attached hereto) (the “2022 Policy”) for revenue bonds to be issued by NIFA to finance multifamily rental housing. The proposed 2022 Policy is designed to better adapt to the changing financial structures being offered in the capital markets for the issuance of multifamily housing revenue bonds and to provide additional flexibility to serve the housing development community, encouraging the development of affordable rental housing in the state, while continuing to safeguard NIFA’s assets and resources and minimizing risk to NIFA.

With respect to a “public offering” of NIFA multifamily revenue bonds, the 2022 Policy retains the requirement that such bonds be rated AA/Aa or better by one or more nationally recognized rating agencies.

With respect to multifamily housing revenue bonds to be issued by NIFA and sold on an unrated basis, the 2022 Policy sets forth those guidelines to be considered by the Executive Director in determining whether NIFA should proceed as an issuer of the bonds for a particular multifamily rental housing project. Such parameters will include review by the Executive Director of the following:

- that the credit risk of the project borrower/project be determined by the purchaser of the Bonds (and not NIFA)
- limiting the number and types of Bond purchasers (e.g., institutional accredited investors/qualified institution buyers (“QIBs”))
- that the purchaser(s) of the Bonds be limited to investors representing that they are capable of assessing, assuming and acknowledging the risk of a bond default (“investor letter”)
- minimum Bond denominations

- transfer restrictions on the Bonds
- requiring a trustee or fiscal agent for the Bonds
- restrictions on “book entry” bonds

The most significant change included in the 2022 Policy is to provide more flexibility with respect to the creation of “beneficial interests” (e.g., “securitizations”) in the unrated Bonds issued by NIFA. For Bonds for which the financing plan involves the creation of subsequent financing vehicles (e.g., trusts which issue certificates or governmental entities that issue bonds backed by unrated bonds issued by NIFA and other governmental entities), the Executive Director will review the parameters of the proposed financing plan to determine that the risk of participation by NIFA as the issuer of the Bonds (both financial and reputational) is minimized. The 2022 Policy sets forth parameters to be considered by the Executive Director in connection with the various financings proposed such as:

- the track record of the entity/institution proposing the securitization structure
- the proposed categories of purchasers of the securities issued pursuant to the securitization (e.g., QIBs/institutional Accredited Investors”)
- any proposed rating on the securities (e.g., “BBB” or higher)
- provisions in the documents for ensuring a quick resolution in the event of a default of a project owner

Staff believes the adoption of 2022 Policy will provide NIFA with flexibility (such as fewer NIFA restrictions with respect to securitizations) as markets, financing structures and needs of Nebraska businesses change from time to time, while still ensuring that NIFA bonds (which are not rated AA/Aa or better) are privately placed with sophisticated, institutional investors and not sold to the general public.

Recommended Action:

NIFA staff and the members of the Risk Management Committee recommend that the board adopt the *NIFA Bond Issuance Policy for Multifamily Housing Revenue Bonds* (attached) as presented to the Board on the date hereof.

**NEBRASKA INVESTMENT FINANCE AUTHORITY
BOND ISSUANCE POLICY
FOR
MULTIFAMILY HOUSING REVENUE BONDS
Adopted by the Board of Directors on [DATE], 2022**

[This Bond Issuance Policy for Multifamily Housing Revenue Bonds replaces and supersedes those specific provisions of the prior policy (dated 12/14/2001), as amended, with respect to bonds issued by NIFA for multifamily housing projects]

This Bond Issuance Policy for Multifamily Housing Revenue Bonds (“MF Bond Policy”) applies to revenue bonds (“Bonds”) issued by the Nebraska Investment Finance Authority (“NIFA”) pursuant to Section 142 of the Internal Revenue Code of 1986 (the “Code”) to finance multifamily rental housing projects for which 4% Low-Income Housing Tax Credits (“LIHTC”) and, in some cases, the Nebraska State Affordable Housing Tax-Credits (“AHTC”), have been requested through NIFA.

[With respect to the program parameters and requirements for requesting LIHTCs and AHTCs, see the applicable Qualified Allocation Plan (“QAP”) adopted by NIFA.]

The goals and objectives set forth in the QAP, together with the following goals and objectives, will be considered by NIFA and the NIFA Executive Director (the “Executive Director”) in connection with the issuance of NIFA Bonds for the development of multifamily rental housing:

- To expand the financing opportunities offered by NIFA with respect to the development in Nebraska of multifamily rental housing for low and moderate income persons and families (“Qualified Households”).
- To use the expertise and capacity of NIFA staff and financing partners to develop financing tools for the financing of multifamily rental housing.
- To increase the participation of lenders in Nebraska in providing financing for multifamily rental housing for Qualified Households.
- To generate revenue to cover initial and continuing NIFA costs associated with the issuance and compliance monitoring of NIFA Bonds for multifamily rental housing.

General Financing Requirements for Multifamily Housing Revenue Bonds Issued by NIFA

As a statewide issuer of bonds, particularly single family mortgage revenue bonds, it is imperative that NIFA maintain its reputation among investors as a prudent issuer of debt, both within the State of Nebraska (the “State”) and on a national basis. Although NIFA’s bonds (other than those bonds specifically based upon the general credit of NIFA) are

nonrecourse to NIFA as well as the State, a default in connection with the payment of principal or interest on a NIFA bond could jeopardize the reputation of NIFA in the capital markets, and diminish the ability of NIFA to provide low-cost financing for its programs and borrowers in the future.

NIFA reserves the right to decline to approve a particular financing structure for the issuance of NIFA Bonds. NIFA also reserves the right in special circumstances to approve an exception to the requirements of this MF Bond Policy.

This MF Bond Policy is a statement of principles identifying the basic goals of NIFA relating to publicly offered rated bonds and privately placed unrated bonds in connection with the financing of multifamily rental housing. This MF Bond Policy is intended to provide a foundation for the Executive Director on which to base decisions, particularly regarding individual unrated bond transactions. In connection with the financing of multifamily rental housing, NIFA has and may continue to receive requests to issue a range of bonds for purchase by a various types of investors. In a changing marketplace, it is not possible to establish a single, unchanging set of guidelines to assure compliance with these essential principles. Instead, the Board of NIFA hereby delegates to the Executive Director the discretion, to be exercised in accordance with this MF Bond Policy, together with other staff-developed guidelines, to assure that these essential principles with respect to rated and unrated Bonds are met on each transaction for which NIFA is the issuer of the Bonds.

Publicly Sold NIFA Bonds – Rating Required

Bonds issued by NIFA to finance multifamily rental housing which will be sold to the general public must have a bond credit rating in at least the “AA” category from S&P Global Ratings (or successor thereto) (“S&P”) or the equivalent rating from Moody’s Investor’s Service or Fitch Ratings. Short-term or variable rate Bonds issued by NIFA for multifamily rental housing must have a short term rating in at least the “A-2” category from S&P or the equivalent rating from Moody’s Investor’s Service or Fitch Ratings.

Privately Placed NIFA Bonds – Unrated Bonds

NIFA recognizes that it has a responsibility to provide cost-effective and responsive financing options that meet borrower needs and that there are circumstances where a bond credit rating is impractical or impossible. Accordingly, NIFA will consider issuing Bonds which do not carry a credit rating from a rating agency in order to finance multifamily rental housing provided the Bonds are “privately placed” in accordance with the requirements set forth in this MF Bond Policy.

Criteria Applicable to Unrated Bonds

NIFA staff will review a proposal for the issuance of unrated Bonds to determine if it meets the criteria set forth in this MF Bond Policy with respect to the following:

(a) Borrower Risk. The borrower will be required to make payments of principal and interest on the Bonds and comply with all Bond covenants. NIFA staff does not underwrite the loan to the borrower for credit purposes. The determination of borrower credit risk must be made by the purchaser of the Bonds.

(b) Potential Bond Purchasers Must Be Capable of Assessing the Risk of the Investment. The issuance of unrated Bonds by NIFA is limited to purchases by investors who are capable of assessing, assuming and acknowledging the risk of a bond default based on the facts of the underlying borrower/project. The purchaser of the Bonds must have the capability to assess the transaction as a business loan to the borrower.

(c) Limitations Applicable to Unrated Bonds. In proceeding with the issuance of unrated Bonds, the Executive Director shall determine the parameters and restrictions to be applicable to the unrated Bonds, including but not limited to, the following:

- Whether or not to impose a limit on the number of investors (e.g., a single investor; a limited group of investors), each of whom has taken full responsibility for analyzing the transaction and the risks of purchasing and owning the Bonds. Examples include:
 - Lending institutions that will originate and service the loan;
 - Sophisticated investors who have a unique interest in the project and who have the resources to evaluate their investment in the project or who are parties with substantial experience in real estate or tax-exempt investment and the means to undertake the risk; or
 - Qualified Institutional Buyers (QIBs), as defined in Rule 144(a) of the Securities Act of 1933, as amended (the “Securities Act”)
- Offering Bonds in minimum denominations, e.g. \$250,000 or more;
- Requiring restrictions with respect to the transfer of the Bonds (see below);
- Requiring trustee/fiscal agent procedures that regulate transfers of the Bonds;
- Requiring a “sophisticated investor letter” from the initial and in some cases subsequent purchasers (e.g., a traveling letter) in a form acceptable to the Executive Director;
- Prohibiting book-entry bonds for unrated Bonds; and
- Requiring a bond trustee for fiscal agent for the Bonds.

(d) Restrictions on the Transfer of Unrated Bonds. Unrated Bonds shall be acquired by the purchaser thereof for investment for its own account and not with a present view toward resale or distribution. In certain cases, the Executive Director may allow the purchaser to reserve the right to sell, transfer, participate or redistribute the Bonds to an entity such as, but not limited to, the following:

- (i) an “affiliate” of the purchaser; or

(ii) a trust or other custodial arrangement established by the purchaser of the Bonds, one of its affiliates or other private or governmental entity (as acceptable to the Executive Director), taking into consideration, for example, whether (a) the owners of any beneficial interest in which are limited to certain categories of purchasers (such as “qualified institutional buyers,” as defined in Rule 144A promulgated under the Securities Act, financial institutions or commercial banks with significant capital and surplus at levels determined acceptable by the Executive Director, or institutional Accredited Investors as defined in Regulation D pursuant to the Securities Act) or (b) the beneficial interests in which will be rated (e.g., “BBB” or higher without regard to modifier (or the equivalent investment grade category) by S&P, Moody’s Investor’s Service or Fitch Ratings); or

(iii) a secured party, custodian or other entity in connection with a pledge by the purchaser to secure public deposits or other obligations of the purchaser or to an acceptable state or local governmental entity; or

(iv) a QIB or an institutional accredited investor and who executes an investor letter acceptable to the Executive Director.

(e) *An Acceptable Strategy to Monitor Bond Covenants and Make Decisions in the Event of a Default.* The Bonds must be structured so that a failure to pay timely principal or interest or a failure to comply with other covenants can be expeditiously addressed with minimal involvement of NIFA, minimal risk to the NIFA’s reputation or implications for its financial accounting. This must be addressed in the documents to the satisfaction of the Executive Director, including, but not limited to, the following:

- There is a bond trustee/fiscal agent experienced with workouts engaged to monitor the Bond covenants;
- There is a required majority bondholder at all times responsible for all workout decisions and actions; or
- There is an agreed upon lead lender/investor responsible for all workout decisions and actions.

NIFA Board of Directors Meeting

October 14, 2022

Agenda Item #10

Review and Consideration of Approval of a Notice Pursuant to Section 58-270 and the Filing Thereof with the Governor and the Clerk of the Nebraska Legislature of NIFA's Intent to Issue Single Family Housing Bonds in the Aggregate Principal Amount of up to \$500,000,000.

Background Information:

Pursuant to Section 58-270 of the Nebraska Investment Finance Authority Act, NIFA is required to provide a notice to the Governor and the Clerk of the Legislature of NIFA's intent to issue bonds to provide financing for projects, the beneficiaries or borrowers of which are not specifically identified at the time of the issuance of the bonds. This notice must be given at least 14 days prior to NIFA taking any final action (e.g., the bond resolution to be considered by the Board at its meeting in December) to authorize the issuance of bonds subject to the notice requirement, such as NIFA bonds issued to finance the single family housing bond program.

Accordingly, attached is a copy of the Notice to be filed with the Governor and the Clerk of the Nebraska Legislature relating to NIFA's intention to issue up to \$500,000,000 in aggregate principal amount of single family housing revenue bonds, general obligation bonds, or some combination thereof during the 2023 calendar year. Such bonds are expected to be issued in connection with the NIFA's single family housing bond program – First Home and Welcome Home.

Recommended Action:

Approval of the Notice Required Pursuant to the NIFA Act and the filing of the Notice with the Governor and the Clerk of the Legislature.

**NOTICE REQUIRED PURSUANT TO
SECTION 58-270, REISSUE REVISED STATUTES OF NEBRASKA**

The Nebraska Investment Finance Authority (the “Authority”) hereby gives notice in accordance with the Nebraska Investment Finance Authority Act, Sections 58-201 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”), to the Honorable Pete Ricketts, Governor of the State of Nebraska (the “State”), and Patrick J. O’Donnell, Clerk of the Legislature of the State, of the proposed issuance by the Authority of the following bonds:

\$500,000,000
Nebraska Investment Finance Authority
Single Family Housing Program Bonds
(consisting of one or more Series of Bonds
to be issued during the periods described herein)

The Authority anticipates that it will authorize the issuance and sale of one or more separate issuances of single-family housing bonds (which may be revenue bonds, general obligation bonds, or some combination thereof) (collectively, the “Bonds”) from time to time as provided herein. Such Bonds may, at the election of the Authority, be issued on a tax-exempt or taxable basis. The Authority plans from time to time to issue an amount of Bonds in order to make funds continuously available for the public purposes of the Authority (described below). Based upon the needs identified below, the Authority believes, depending upon capital market conditions, a beneficial method of carrying out its public purposes for the Authority’s Mortgage Loan Program (defined below) may be to issue its Bonds (in one or more issues and as one or more series in an amount not to exceed \$500,000,000) over the period of time from the date hereof to December 31, 2023 or as otherwise provided herein. The issuance of Bonds on this basis, together with implementing other financial strategies in connection with the Authority’s Mortgage Loan Program, will:

(a) as the capital markets permit, allow the Authority to continue to timely and orderly provide for funds for the financing of (i) first mortgage loans (“First Mortgage Loans”) (as whole loans and/or as mortgage-backed securities) to be originated in connection with the Authority’s several single-family housing programs, (ii) down payment and closing cost assistance (“Home Buyer Assistance”) to be provided in connection with certain of the Authority’s First Mortgage Loans and (iii) mortgage loans which may or may not be FHA-insured, VA-guaranteed or USDA/RD-guaranteed or conventional mortgage loans and which may or may not be guaranteed or insured by private mortgage insurance or other insurance and which may include mortgage loans with varying terms to maturity of 30 years or less, mortgage loans that are below market rates or noninterest bearing and Mortgage Loans, such as rehabilitation or home improvement loans, that may or may not be secured by first lien mortgages and to acquire mortgage-backed securities that are not issued or guaranteed by GNMA, Fannie Mae or Freddie Mac (“NIFA Portfolio Loans,” and, collectively with the First Mortgage Loans and the Home Buyer Assistance described above, the “NIFA Program Mortgage Loans”);

(b) minimize the costs the Authority experiences during the period from Bond issuance to the time Bond proceeds would be used to finance NIFA Program Mortgage Loans; and

(c) reduce the risk of nonorigination of NIFA Program Mortgage Loans should interest rates generally fall subsequent to the issuance of the Bonds.

The Authority expects to use the proceeds of the Bonds, if issued, (a) to provide moneys for the Trustee, on behalf of the Authority, to purchase or finance or, in some cases, reimburse the Authority (through funds provided from Authority operating funds or Authority borrowings), the Master Servicer or other parties for NIFA Program Mortgage Loans acquired and held in anticipation of the availability of Bond proceeds (in each case, “to finance”) and NIFA Program Mortgage Loans made to qualified low- and moderate-income persons in the State under the Authority’s “First Mortgage Program” and “Welcome Home Program” (with respect to First Mortgage Loans), the Authority’s “Home Buyer Assistance Program” (with respect to Home Buyer Assistance) and the Authority’s “Portfolio Mortgage Loan Program” (with respect to Portfolio Mortgage Loans) (such programs, including other related programs of the Authority that may be implemented with respect to providing mortgage loan financing (including for workforce housing for low and moderate income persons), are referred to herein as the “Mortgage Loan Program”); (b) to make certain deposits into the funds and accounts created under the indenture(s) of trust securing the Bonds; (c) in the case of the proceeds made available by the issuance of “refunding Bonds” (not required to obtain volume cap), to pay the principal of or the redemption price on certain of the Authority’s previously issued single-family mortgage revenue bonds and thereby make additional funds available to finance NIFA Program Mortgage Loans or to provide subsidy benefits applicable to certain NIFA Program Mortgage Loans; or (d) to pay or, in some cases, reimburse the Authority (through funds provided from Authority operating funds or Authority borrowings) for certain expenses relating to the Mortgage Loan Program.

The Authority desires, through its Mortgage Loan Program, to cause to be provided, through the issuance of the Bonds and the implementation of various other financial strategies, sanitary, safe and uncrowded housing for low- and moderate-income persons and families, including workforce owner-occupied housing, in the State.

Section 1. The Public Purposes To Be Effectuated and the Needs To Be Addressed Through the Issuance of the Bonds. The public purposes to be effectuated and the needs to be addressed by the Authority through the issuance of the Bonds are (i) to provide more adequate owner-occupied residential housing for low- and moderate-income persons and families (and those seeking workforce housing), particularly first-time homebuyers, within the State by providing financing of mortgage loans at interest rates lower than those otherwise available; (ii) to continue to provide an ongoing program of making such financing available within the marketplace in an orderly fashion at below-market interest rates; and (iii) to encourage homeownership by low- and moderate-income persons (including for workforce housing), including particularly first-time homebuyers, which results in an overall benefit to society.

The Legislature of the State has found and declared that:

(a) from time to time the high rates of interest charged by mortgage lenders substantially restrict existing housing transfers and new housing starts, and the resultant reduction in residential construction starts causes a condition of substantial unemployment and underemployment in the construction industry;

(b) such conditions generally result in and contribute to the creation of slums and blighted areas in the urban and rural areas of the State and a deterioration of the quality of living conditions within the State and necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident prevention and other public services and facilities; and

(c) there exists in the urban and rural areas of the State an inadequate supply of, and a pressing need for, sanitary, safe and uncrowded housing at prices at which low- and moderate-income persons, particularly first-time homebuyers, can afford to purchase, construct or rent forcing such persons to occupy unsanitary, unsafe and overcrowded housing.

The Legislature of the State has further indicated a need (as evidenced by Section 58-249 of the Act) to provide financing of mortgages for low-income persons at an interest rate below the interest rate which otherwise applies to mortgages financed from Authority single-family Bond issues.

Through Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), providing for the exclusion of interest on “qualified mortgage bonds,” the federal government of the United States of America has recognized a need for and benefit in providing financing for mortgage loans to persons, particularly first-time homebuyers, with qualifying incomes for the purchase of owner-occupied residences at purchase prices not exceeding certain limits imposed by the Code. Additionally, to further provide financing for mortgage loans to persons and families of moderate income, including those seeking workforce housing, the Authority may elect to issue Bonds, the interest on which may not be exempt from federal income taxation.

Section 2. The Manner in Which Such Need Was Identified.

(a) *Summary of Existing Single Family Housing Programs.* The needs to be addressed as described in Section 1 above were identified by the Authority on the basis of demand for financing under the Authority’s existing single-family housing programs. As of September 30, 2022, to provide funds for the Mortgage Loan Programs, the Authority has issued the following:

(i) Single Family Housing Revenue Bonds (the “Single Family Bonds”) aggregating \$6,023,845,000 (in 131 series) pursuant to the Authority’s General Indenture of Trust dated as of July 1, 1994, as amended (the “Housing Indenture”);

(ii) Housing Revenue Bonds 2011 Series 1 (the “GNMA MBS Bonds”) aggregating \$43,353,567 pursuant to the Authority’s Trust Indenture dated as of June 1, 2011 (the “GNMA MBS Indenture”);

(iii) Single Family Homeownership Revenue Bonds (the “Homeownership Bonds”) aggregating \$178,000,000 pursuant to the Authority’s General Indenture of Trust (Homeownership Revenue Bonds) dated as of December 1, 2009 (the “Homeownership Indenture”); and

(iv) General Obligation Bonds (the “G.O. Bonds”) aggregating \$27,815,177 (in 22 series) pursuant to the Authority’s General Indenture of Trust (General Obligation Bonds), dated as of January 1, 1998 (the “General Obligation Indenture”).

A description of the Bonds issued pursuant to the Housing Indenture, the GNMA MBS Indenture and the Homeownership Indenture and the use of the proceeds thereof for the financing of First Mortgage Loans as of June 30, 2022 is set forth in Appendix B to this Notice.

In addition to the proceeds of such bond issues, certain principal payments on single-family mortgage loans previously financed with bonds issued pursuant to such indentures have been recycled, thereby creating additional financing to finance, through June 30, 2022, approximately \$900,924,563 of NIFA Program Mortgage Loans.

(b) *Applications Received and Availability of Remaining Mortgage Loan Account Funds—Single Family Revenue Bonds Indenture of Trust.* As of September 30, 2022, approximately \$22,136,438 in proceeds of Bonds remain available to finance First Mortgage Loans. On September 30, 2022, applications from borrowers seeking financing pursuant to the Mortgage Loan Program totaled approximately \$88,115.867, of which amount approximately \$22,496,966 of Mortgage Loans have been financed on behalf of the Authority by the Master Servicer and \$295,850 have been financed from operating funds of the Authority, some of which, depending upon the capital markets, may be purchased from available proceeds upon the issuance of Bonds. Applications are currently being received from borrowers at an average approximate rate of \$1,791,588 a day.

The experience of the Authority with respect to the origination of First Mortgage Loans (for each of the years ended) has been as follows:

6-30-22	\$311,758,716
6-30-21	173,464,651
6-30-20	306,990,746
6-30-19	282,823,715
6-30-18	237,603,263
6-30-17	203,022,315
6-30-16	255,086,744
6-30-15	226,114,873
6-30-14	238,843,331

6-30-13	126,839,557
6-30-12	136,942,529
6-30-11	151,115,310
6-30-10	85,837,387*
6-30-09	124,199,992*
6-30-08	466,291,134
6-30-07	404,844,643
6-30-06	152,187,760
6-30-05	107,307,288
6-30-04	118,892,003
6-30-03	161,773,866
6-30-02	187,120,885
6-30-01	194,863,773
6-30-00	227,705,360
6-30-99	170,456,154
6-30-98	239,039,052
6-30-97	197,690,532
6-30-96	101,355,173
6-30-95	171,983,230
6-30-94	39,596,450
6-30-93	108,991,111
6-30-92	130,729,086
6-30-91	171,090,731
6-30-90	165,313,531

(*Because of the disruption in the capital markets beginning in the fall of 2008, the issuance of bonds for single-family programs during the latter part of 2008 through most of 2010 was severely impacted and very few bonds were issued. This affected all issuers of single-family mortgage revenue bonds.)

(c) *Home Buyer Assistance—General Obligation Bonds and Other Sources.* The Authority operates and funds programs offering Home Buyer Assistance to borrowers who received First Mortgage Loans from the Authority’s First Mortgage Loan Program. This Home Buyer Assistance has been financed with general operating funds of the Authority, through the issuance of G.O. Bonds pursuant to the terms of the General Obligation Indenture, with recycled bond proceeds and with other resources pursuant to the Housing Indenture. To date, G.O. Bonds aggregating \$27,815,177 have been issued to finance Home Buyer Assistance. To the extent possible, the Authority expects to continue to offer Home Buyer Assistance which, as in the past, may be financed using various resources of the Authority.

(d) *Historical and Expected Demand.* Based upon (i) the historical experience of the Authority over the prior 30 years with respect to the financing of mortgage loans through the issuance of single-family mortgage revenue bonds and certain general obligation bonds, (ii) its experience to date with its First Mortgage Loan Program and its Home Buyer Assistance Program and (iii) the continued requests for the reservation of

First Mortgage Loan Program funds and continued requests for the reservation of Home Buyer Assistance Program funds, the Authority anticipates the need for funds in order to finance NIFA Program Mortgage Loans on a regular and consistent basis during the 2023 calendar year not to exceed approximately \$500,000,000. In order to maximize its resources for purposes of financing NIFA Program Mortgage Loans under existing, and any future, programs, and to take advantage of marketing opportunities, while at the same time preserving the bond ratings on, and the security pledged to the holders of, Bonds issued and outstanding pursuant to the terms of the various trust indentures securing the Bonds, the Authority intends, depending upon capital market conditions, to finance additional NIFA Program Mortgage Loans to meet that need through the issuance of Bonds (which may be revenue bonds, general obligation bonds or some combination thereof) pursuant to the terms of one or more indentures of trust (which may include, but shall not be limited to, the Housing Indenture, the GNMA MBS Indenture and/or the General Obligation Indenture).

(e) *Board Approval.* At its meeting held on October 14, 2022, the Board of the Authority approved, in substantially the form submitted, this Notice.

Section 3. The Anticipated Principal Amount of the Bond Issues and the Anticipated Dates of Issuance of the Bonds. Subject to capital market conditions, the Authority anticipates issuing Bonds in the aggregate principal amount not to exceed up to \$500,000,000 in one or more series of bonds and one or more separate issuances of the Bonds (which may be revenue bonds, general obligation bonds, or some combination thereof) the interest on which may or may not be, at the election of the Authority, exempt from income taxation, pursuant to the terms of one or more indentures of trust, which may include (but shall not be limited to) the Housing Indenture and/or the General Obligation Indenture. The Authority expects that an amount approximately equal to the final principal amount of each series of the Bonds if issued (less any amount of Bond proceeds, if any, used to fund reserve funds as described in Section 4 below) will be made available to finance NIFA Program Mortgage Loans. Issuance and delivery of the Bonds is expected to occur, on a regular basis, over approximately the next 12 months, in such amounts, and at such times, as determined by the Authority. The issuance of Bonds in one or more issues and as one or more series over several months will better provide the Authority with lower interest rates as the result of more competitive borrowing, ultimately for the benefit of low- and moderate-income borrowers. Issuance and delivery of all of the Bonds referred to in this Notice is anticipated to occur on or before December 31, 2023, although Bonds may be issued after that date within the description provided in this Notice, at the discretion of the Executive Director of the Authority. Issuance and delivery of the Bonds in the aggregate principal amount not expected to exceed \$500,000,000 in one or more series of bonds and one or more separate issuances of the Bonds (which may be revenue bonds, general obligation bonds, or some combination thereof) pursuant to the terms of one or more indentures of trust, which may include (but shall not be limited to) the Housing Indenture, the GNMA MBS Indenture and/or the General Obligation Indenture, shall be in addition to any revenue bonds and general obligation bonds which may be issued by the Authority up to those amounts for which the Authority has previously delivered one or more notices required pursuant to Section 58-270 of the Act (but with respect to which bonds have not yet been issued by the Authority).

Section 4. Anticipated Size of Reserve Funds. It is anticipated that to the extent the Bonds will be secured by one or more reserve funds, such reserve funds will not exceed, in the aggregate, 15% of the principal amount of the Bonds.

Section 5. The Professionals Involved in Connection With the Issuance of the Bonds. The following professionals have been selected or approved by the Authority to participate in the issuance, sale and delivery of the Bonds:

Underwriters:	JPMorgan Securities LLC Ameritas Investment Company, LLC D.A. Davidson & Co. First National Capital Markets, Inc.
Counsel to the Underwriters:	Sherman and Howard LLC Denver, Colorado
Bond Counsel and General Counsel to the Authority:	Kutak Rock LLP Omaha, Nebraska
First Mortgage Loan Master Servicer:	U.S. Bank National Association Seven Hills, Ohio
Trustee for the Bonds:	Computershare Trust Company, N.A. (successor trustee to Wells Fargo Bank, National Association)
Quantitative Analyst:	cfX Incorporated New York, New York
Swap Advisor:	Evercrest Advisors LLC South Orange, NJ

Guaranteed Investment
Agreement Providers:

It is anticipated that all funds and accounts will be invested until such time as needed to finance NIFA Program Mortgage Loans and, in the case of the reserve funds, until the maturity of the Bonds, in Permitted Investments (as defined in the related bond indenture). Such Permitted Investments include guaranteed investment agreements with one or more entities which carry a rating by S&P Global Ratings and/or Moody's Investors Service, Inc. which will not adversely affect the rating assigned to the Bonds which is anticipated to be not less than "A". Selection of the provider or providers of any guaranteed investment will be made by the Authority by obtaining at least three bids, but will not occur until the actual marketing and pricing of each series of the Bonds.

Funding Facilities:

From time to time in connection with the issuance of Bonds, the Authority may consider, to the extent determined to be in the best interest of the Authority or as may be necessary or advisable in the interest of the Authority, entering into one or more Funding Facilities. Such Funding Facilities may be entered into for the purpose of meeting certain cash flow management objectives of the Authority, including but not limited to (i) supporting floating rate payments on the Bonds with a fixed maximum interest rate source or fixed rate payment source or (ii) providing a source of funds for remarketing, rate setting, auction, market or related purposes. Selection of the providers of any Funding Facilities will be made in connection with marketing and pricing of the Bonds and any such Funding Facility will be provided by entities such that there is not an adverse impact on the rating of the Bonds.

The Authority may, from time to time, select other professionals to participate in the issuance, sale and delivery of the Bonds to the extent it deems such selection advisable and in the best interests of the Authority.

The filing of the foregoing Notice with the Governor and the Clerk of the Legislature, in accordance with the Act, was approved by the Authority on October 14, 2022.

A copy of this Notice has also been provided to those representatives of the news media requesting notification of the proposed issuance of bonds, which representatives are listed on Appendix A hereto.

Date: October 14, 2022

NEBRASKA INVESTMENT FINANCE
AUTHORITY

By _____
Executive Director

*Signature page of the Authority to the Notice Required Pursuant to Section 58-270, Reissue
Revised Statutes of Nebraska*

APPENDIX A
BOND ISSUE REQUEST LIST

Matt Olberding
The Lincoln Journal Star
926 P Street
Lincoln, NE 68508

Tyler Harris
Nebraska Farmer Magazine
4131 Pioneer Woods Drive
Suite 103
Lincoln, NE 68506

David Hahn
New Digital Group
P.O. Box 83672
Lincoln, NE 68501

Associated Press
Broadcast Editor
1700 Farnam Street
Suite 1270
Omaha, NE 68102-2019

Cindy Gonzalez
Omaha World-Herald
14th & Dodge Streets
Omaha, NE 68102

APPENDIX B

SUMMARY OF THE MORTGAGE LOAN PROGRAM

The following sets forth certain particulars of the Mortgage Loan Program as of June 30, 2022 (which includes Mortgage Loans and Mortgage-Backed Securities).

Mortgage Loan Program Summary

As of June 30, 2022	(2) Acquisition of Mortgage Loans and Mortgage-Backed Securities From:		Weighted Avg Pass Through Interest Rate	Whole Mortgage Loans	Principal Outstanding		(4) Percentage 90 or More Days Delinquent (Including Foreclosure)
	Original Bond Proceeds	Recycling and Other Funds			Backed Securities	Mortgage-Community Program Loans (3)	
HOUSING INDENTURE							
Series 2022 ABC	\$99,774,082	\$1,033,026	2.89%		\$97,896,383		0.16%
Series 2021 C	138,607,853	8,405,647	2.50%		134,670,318		0.72%
Series 2021 AB	94,999,638	5,899,730	2.52%		85,733,844		1.53%
Series 2020 BC	87,498,603	7,293,568	3.03%		71,807,594		1.66%
Series 2020 A	122,905,334	9,760,343	3.06%		88,988,778		1.23%
Series 2019 DE	175,050,000	19,952,636	3.21%		114,125,740		1.30%
Series 2019 ABC	173,093,979	17,802,030	3.61%		95,207,011		0.68%
Series 2018 CD	200,666,393	18,877,518	3.59%		62,092,334		0.98%
Series 2018 AB	93,667,600	3,583,406	3.28%		30,179,858		0.62%
Series 2017 ABC	103,382,133	8,875,334	3.32%		36,164,692		1.24%
Series 2016 CD	127,001,054	17,873,984	2.96%		59,451,917		1.10%
Series 2016 AB	116,091,640	17,356,930	3.24%		41,949,230		0.43%
Series 2015 CD	121,012,757	17,446,358	3.09%		39,184,130		0.67%
Series 2015 AB	95,461,247	25,202,176	3.32%		30,429,703		0.27%
Series 2014 AB	97,831,258	29,523,841	3.44%		26,998,830		0.00%
Series 2013 EF	88,778,897	27,764,018	3.12%		28,276,164		0.30%
Series 2013 CD	102,004,099	23,675,258	2.72%		35,835,255		0.70%
Series 2013 AB	102,465,844	23,856,355	2.93%		31,096,633		0.49%
Retired Series (1)	3,626,949,069	616,742,404	3.56%	<u>464,110</u>	<u>161,685,135</u>	<u>27,331,902</u>	0.62%
TOTAL HOUSING INDENTURE				\$464,110	\$1,271,773,549	\$27,331,902	
GNMA MBS INDENTURE							
Series 2011-1	\$43,353,567	0	3.96%	\$0	\$4,621,625	-	0.00%

- (1) Represents mortgage loans and mortgage-backed securities financed with Bonds issued pursuant to the Housing Indenture and which Bonds are no longer outstanding. Such mortgage loans and mortgage-backed securities remain pledged under the Housing Indenture. A portion of the principal payments and prepayments received on these mortgage loans and mortgage backed securities are dedicated to the payment of certain term bonds.
- (2) Amounts represent Original Bond Proceeds and Recycling and Other Funds which were used to acquire (i) newly originated Mortgage Loans and Mortgage-Backed Securities and (ii) existing Mortgage Loans and Mortgage-Backed Securities which were initially funded with Original Bond Proceeds or Recycling and Other Funds and which, upon a refunding of the Bond Series which financed such Mortgage Loans and Mortgage-Backed Securities, have been reallocated to a subsequent Series of Bonds the proceeds of which were used to refund the Prior Series of Bonds. Amounts representing the original acquisition cost of Mortgage Loans and Mortgage-Backed Securities (which includes the Mortgage Loans and Mortgage-Backed Securities reallocated to a subsequent Series of Bonds upon a refunding of Bonds outstanding under the General Indenture), remain reflected in the amounts in these two columns in the Original Bond Series, in the Retired Series (where bonds are no longer outstanding), plus in the refunding Bond Series and in the Recycling and Other Funds column at the new acquisition cost.
- (3) Community Program Loans represent a.) mortgage loans (both first and second mortgage loans) originated by certain nonprofit entities (such as Habitat for Humanity of Omaha), and b.) Second Mortgage Homebuyer Assistance Loans ("HBA Loans") the proceeds of which are loaned for down payment and closing cost assistance in connection with first mortgage loans financed under the Housing Indenture. Community Program Loans do not have mortgage insurance or guarantees and bear interest at rates ranging from 0.0% to 7.3% with maturities from 7 to 30 years.
- (4) Information does not include Community Program Loans

Information on page B-2 consists of the following categories at June 30, 2022.

Category	Principal Outstanding	% of Total	% 90 or more days delinquent
HOUSING INDENTURE:			
GNMA Mortgage-Backed Securities, at par	\$652,908,577	51.32%	0.74%
Fannie Mae Mortgage-Backed Securities, at par	605,959,622	47.63%	0.92%
Freddie Mac Mortgage-Backed Securities, at par	12,905,350	1.01%	0.00%
Whole Mortgage Loans (1 st mortgages), at par ^{1,2}	<u>464,110</u>	<u>.04%</u>	0.00%
TOTAL³	\$ 1,272,237,659	100.00%	0.81%
GNMA MBS INDENTURE			
GNMA Mortgage-Backed Securities, at par	\$4,621,625		0.00%

¹All Whole Mortgage Loans (1st Mortgage Loans) are either (i) insured by the FHA, (ii) guaranteed by USDA/RD or (iii) guaranteed by VA.

²Excludes Community Program Loans

³In addition to the categories of Whole Mortgage Loans and Mortgage Backed Securities listed above for the Housing Indenture, NIFA also had outstanding, as of June 30, 2022, Community Program Loans in the aggregate principal amount of \$27,331,902. Such Community Program Loans do not have mortgage insurance or guaranties and most are subordinate to preexisting first liens. For purposes of cash flow analysis, these loans are assumed to have no probability of repayment and are not considered as assets of the Program.

Ongoing NIFA Single Family Program

The following sets forth as of June 30, 2022, the principal amount of mortgage backed securities held by NIFA in its general operating fund and/or credited thereto, the principal amount of originated whole mortgage loans held by the master servicer, the principal amount of whole mortgage loans closed but not yet held by the master servicer, and the principal amount of mortgage loan reservations taken by NIFA. (See Note 1)

Mortgage Interest Rate	Mortgage Backed Securities Held by NIFA	Whole Mortgage Loans Held by Master Servicer	Whole Mortgage Loans Closed but Not Yet Held by Master Servicer	Mortgage Loan Reservations Taken by NIFA	Total
3.125%	\$-0-	\$-0-	\$-0-	\$175,000	\$175,000
3.875%	-0-	121,000	-0-	-0-	121,000
4.000%	-0-	121,000	55,000	86,000	262,000
4.125%	-0-	-0-	-0-	142,000	142,000
4.250%	-0-	195,000	-0-	-0-	195,000
4.375%	-0-	198,000	-0-	1,256,000	1,454,000
4.500%	-0-	1,146,000	-0-	1,502,000	2,648,000
4.625%	-0-	397,000	-0-	1,814,000	2,211,000
4.750%	-0-	1,102,000	439,000	2,166,000	3,707,000
4.875%	-0-	494,000	235,000	1,723,000	2,452,000
5.000%	-0-	1,119,000	236,000	1,845,000	3,200,000
5.125%	-0-	3,489,000	2,676,000	6,631,000	12,796,000
5.250%	-0-	2,049,000	2,315,000	5,426,000	9,790,000
5.375%	-0-	1,487,000	235,000	2,033,000	3,755,000
5.500%	-0-	1,219,000	186,000	7,057,000	8,462,000
5.625%	-0-	1,883,000	1,108,000	7,722,000	10,713,000
5.750%	-0-	1,596,000	147,000	4,917,000	6,660,000
5.875%	-0-	384,000	317,000	3,802,000	4,503,000
6.000%	-0-	-0-	-0-	3,397,000	3,397,000
6.25%	-0-	-0-	-0-	1,218,000	1,218,000
6.375%	-0-	-0-	-0-	513,000	513,000
6.500%	-0-	-0-	-0-	126,000	126,000
TOTAL	\$-0-	\$17,000,000	\$7,949,000	\$53,551,000	\$78,500,000

Note 1. At the direction of NIFA, the master servicer will issue or cause to be issued mortgage-backed securities ("MBSs"), backed by the whole mortgage loans currently being held by the master servicer. Such MBSs will thereafter be available for delivery to one or more trustees for bonds issued by NIFA to fund its Program, to NIFA or to the provider of interim financing as described in this Note 1. NIFA has purchased and may continue to purchase with its general operating funds MBSs backed by mortgage loans held by the master servicer. Additionally, NIFA has used and may continue to use advances provided by the Federal Home Loan Bank of Topeka (the "FHLB of Topeka"), for the purchase of MBSs backed by mortgage loans held by the master servicer as available from time to time. In addition to the Housing Bonds issued from time to time pursuant to the Housing Indenture, NIFA may elect to enter into one or more other indentures for the issuance of bonds to finance mortgage loans. Upon the issuance of Housing Bonds and/or other bonds, NIFA anticipates, directing the delivery of those whole mortgage loans currently held by the master servicer when backed by MBSs, together with the MBSs held by NIFA or pledged by NIFA to the FHLB of Topeka to either or both of the trustee for the Housing Bonds and/or the trustee for the other bonds, as applicable. However, rather than deliver the MBSs to either the trustee for the Housing Bonds or the trustee for the other bonds, NIFA may elect to continue to hold the MBSs as assets of NIFA or dispose of the MBSs in such manner as determined by NIFA. In the event mortgage loans held

by the master servicer do not become backed by MBSs, such mortgage loans may be delivered to the trustee for the Housing Bonds for purchase as whole loans with proceeds available under the General Indenture.

**ACKNOWLEDGMENT OF RECEIPT
OF
NOTICE REQUIRED PURSUANT TO**

**SECTION 58-270
REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED**

The undersigned, Pete Ricketts, Governor of the State of Nebraska, hereby acknowledges receipt on the date set forth below of the attached Notice Required Pursuant to Section 58-270, Reissue Revised Statutes of Nebraska, as amended, with respect to the following:

Nebraska Investment Finance Authority
\$500,000,000
Single Family Housing Program Bonds
(consisting of one or more Series of Bonds)

Accepted this ____ day of _____, 2022.

[SEAL]

PETE RICKETTS,
GOVERNOR

By _____
Name _____
Title _____

**CONFIRMATION OF FILING
OF
NOTICE REQUIRED PURSUANT TO**

**SECTION 58-270
REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED
(CLERK OF THE LEGISLATURE)**

Confirmation that the Notice was filed electronically with the Clerk of the Legislature of the State of Nebraska.

NIFA Board of Directors Meeting

October 14, 2022

Agenda Item #11

Adoption of State Bond Allocation for Westin Foods, LLC

Allocation: 22-30-006	Westin Foods, LLC
Issuer:	Jefferson County
Allocation Amount:	\$3,500,000
Allocation Classification:	Industrial Development

Background Information:

Jefferson County, Nebraska (the "County") has adopted a Resolution authorizing the issuance of up to \$10,000,000 in revenue bonds by the County and expressing the County's official intent to reimburse certain capital expenditures with the proceeds of the bonds in connection with the financing of the expansion, improvement and renovation of Westin Foods, LLC (the "Company") manufacturing facilities located in Fairbury, Nebraska. The Company is planning a 14,000 square foot expansion of the Company's existing facility that will allow for continued growth of Westin Packaged Meats. The project includes expanding the Company's "ready to eat" room to increase packaging space and allow for more output at the facility. The project will expand production capabilities, increase processing automation and contribute to the overall efficiency and safety within the plant.

The application of the Company states that throughout the construction of the project, the Company will utilize Nebraska based contractors with approximately 35 additional individuals working on the project. While the expansion itself will not lead directly to additional employees at the facility, it will allow the plant to increase production through automation leading to long-term viability of the plant and its workforce in Fairbury. There will be no job loss or layoffs in connection with the project.

The total cost of the project is \$10,000,000, \$3.5 million of tax-exempt financing and \$6.5 million in the form of subordinated debt with approximately \$5.7 of the expenses to be paid directly to Nebraska based companies.

The following additional parties will be involved with this financing:

First National Bank of Omaha	Bond Purchaser
First National Capital Markets	Placement Agent
Kutak Rock LLP	Bond Counsel

See attached application from the Company for additional information.

Recommendation:

Approval of Private Activity Volume Cap allocation #22-30-006.

Date Received
NIFA #

9/28/22
69226 22-20-006

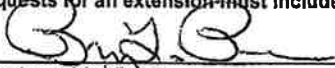
NEBRASKA INVESTMENT FINANCE AUTHORITY (NIFA)
Governor's Executive Order
Unified Volume Cap Allocation Application

1. Amount of Allocation Request \$ 3,500,000 (Maximum Request: \$18,000,000 for multifamily rental housing; \$10,000,000 for IDB projects; \$15,000,000 for solid waste projects)
2. Governmental Unit Issuing the Bonds for which Unified Volume Cap is Requested
Name of Governmental Unit: Jefferson County, NE
Contact: Kris Riggla
Address: 411 4th Street, Fairbury, NE 68352
Phone: 402-729-6818
Email: ccountyclerk@jeffco-nebraska.us
3. Applicant and Project Information
Name of Applicant: WestIn Foods, LLC.
Contact: Bradley Poppa
Address: 11808 W Center RD, Omaha, NE 68144
Phone: 402-691-5800
Email: brad@westinfoods.com
Project Address: 810 Bacon Road in Fairbury, Nebraska (collectively, the "Project")
Project Description (attach additional sheets if necessary): Expansion and equipping of manufacturing facilities
Project Category:

Single Family Housing	_____
Student Loans	_____
Multifamily Rental Housing	_____
First Time Farmer Projects	_____
Industrial or Manufacturing (complete and attach page 2)	<u>x</u>
Solid Waste (complete and attach page 2)	_____
4. The following must accompany this Application:
 - (a) A non-refundable Application fee of \$150
 - (b) The Reservation Deposit \$ 10,000.00 (Refundable only as described below.)
(lesser of \$10,000 or 1% of "Amount of Allocation Requested" in Item 1 above (minimum of \$1,000))
 - (c) Copy of Inducement/Intent Resolution from Governmental Unit listed in Item 2 above
 - (d) "No Objection" Letter from governing authority where the project will be located
 - (e) Exhibits, if applicable, listed on page 2 of this Application form
 - (f) A description of the project financing terms and members of the finance team
5. To request a refund of the Reservation Deposit, the following must be provided by Applicant to NIFA:
-a copy of Form 8038 filed with the Internal Revenue Service upon the issuance of the bonds
-payment to NIFA of incidental expenses incurred by NIFA in connection with approving the Allocation

The Applicant hereby understands and acknowledges that in the event an Allocation, if granted, is not used prior to the expiration date set forth below, the Reservation Deposit (or if the Allocation used is less than the amount granted by NIFA, a proportionate amount of the Reservation Deposit) will be forfeited by the Applicant. **The Reservation Deposit is refundable only to the extent and in the proportion that the Allocation is used prior to the expiration date below and upon receipt by NIFA of IRS Form 8038 as filed with the IRS.** (Unpaid expenses noted in Item 5 above may be offset by NIFA against the refundable portion of the Reservation Deposit.)

This Allocation will expire on the "Date Allocation Expires" set forth below unless extended by NIFA. Requests for an extension must include reasons for the necessity of an extension.


Signature of Applicant

9/27/22
Date

In accordance with Governor's Executive Order #98-3, the undersigned hereby certifies that the above Allocation granted meets the requirements of §146 of the Internal Revenue Code of 1986 relating to the Nebraska State Ceiling for private activity bonds and that such Allocation has not been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Date Allocation Granted

Signature of NIFA Authorized Officer

Date Allocation Expires

Nebraska Investment Finance Authority Application Exhibits.

- 1. Provide an executive summary of the benefits to the State of Nebraska as a result of the project including a description of the project and the proposed effect on the expansion of the state's economic base, how the proposed project will bring "new wealth" into the state or reduce the loss of wealth from the state, and how the project will result in increased employment, etc.**

Westin Packaged Meats specializes in processing bacon bits, bacon pieces and fully cooked bacon products and is located in Fairbury, Nebraska. Westin is planning a 14,000 sq ft expansion project that will allow for continued growth in Fairbury. The project includes expanding the company's "ready to eat" room to increase packaging space and allow for more output at the facility.

The project will expand Westin's production capabilities in Fairbury, increase processing automation, and contribute to overall efficiency and safety within the plant. The project is anticipated to create several construction jobs with the expansion, which will have a positive impact to both Fairbury and the State of Nebraska.

- 2. Provide information on the anticipated number of jobs (both temporary and permanent) to be created in the state as a result of the proposed project, including the timing and related wages and benefits.**

Throughout the project, Westin will utilize Nebraska based contractors with approximately 35 additional individuals working on the project.

Although the expansion will not lead directly to additional employees at Westin Packaged Meats in Fairbury, the project allows the manufacturing plant to increase production through automation which will lead to long-term viability of Westin Packaged Meats and its workforce in Fairbury. There will be no job loss or layoffs. The project ensures the plant continues to produce the highest quality products and stays competitive. It also creates a safer workplace with fewer opportunities for manual labor to lead to injuries. The total cost of the project is \$10MM. Of the \$10MM, approximately \$5.7MM of the expenses will be paid directly to Nebraska based companies.

- 3. Provide an estimate of the increase in the valuation of the real estate as a result of this project.**

In total, the Westin Package Meats Fairbury Expansion Project will cost approximately \$10MM. The costs include approximately \$5.1MM in equipment purchases and \$4.9MM in building construction costs. The \$4.9MM in construction costs include conveying, general contracting, demolition, concrete, building work, electrical, plumbing, foam insulation, adding fire suppression system and roofing. All construction work will be completed by Nebraska based contracting companies. The Project will add nearly 14,000 sq ft to Westin Packaged Meats primary manufacturing facility and add an estimated \$800,000 in value while also modernizing the plant and adding safety features to protect the company's employees and property.

- 4. Provide a statement of the volume of expenditures your company makes with other Nebraska companies for products and services and indicate how the project is likely to affect these transactions.**

In 2021, Westin bought approximately \$16,000,000 from Nebraska based businesses. Because so much of what Westin buys is meat, they can't source as much as they would like from Nebraska facilities. However, Westin does have a strong relationship with Wholystone, which is in Nebraska.

- 5. Prove a Project schedule with timelines to include timing for financing, design, land acquisition, equipment purchases, ground breaking and project completion.**

The project began with plans being designed early in 2021 and manufacturing equipment being ordered in December of 2021. Initial construction at the facility began in February 2022. Construction continues to progress throughout 2022 with an expected completion date prior to April 30, 2023. Equipment continues to be ordered and will be delivered and installed throughout the construction process. To date, approximately \$3.5MM has been spent on equipment and construction.

- 6. Attach a description of the financing plan including the key financing components timing, term (maturities) and anticipated interest rates. Include a copy of the financing commitment letter.**

Total financing amount will be \$10MM.

FNBO will provide \$3.5MM in financing in the form of tax-exempt industrial development revenue bonds. Terms of the financing will be a multi-advance term loan with advances allowed until April 30, 2023 followed by a five year term note. During advance period rate will be Prime Rate minus 1.93%. Advances will be used to support equipment purchases and improvements to facilities. At five year conversion the interest rate will be fixed at the published five year US Treasury index plus 1.28%. During the advance period quarterly interest only loan payment would be due and at conversion quarterly principal and interest payments are due based on a 10-year amortization schedule.

Additional \$6.5MM in financing will be provided by Advantage Capital, in the form of subordinated term debt. Funds would be provided in lump sum upon loan closing. Rate would be fixed at approximately 5.15%. Term will be for 6 years with interest only payments made monthly. At maturity full balance will be due.

FNBO Term Sheet Attached.

- 7. Enclose brochures, if available, describing the products proposed to be manufactured by the project owner.**

No brochures available. Westin Package Meats regularly updates their website with their products listed. Website link is <https://www.westinpackagedmeats.com>.



TERM SHEET

September 9, 2022

Westin Foods
11808 West Center Road
Omaha, NE 68144

Dear Scott and Brad,

FNBO ("Bank") is grateful for the opportunity to once again, partner with Westin, Inc. on financing the Fairbury plant and retail capacity expansion project.

Please keep in mind that the terms included in this term sheet are contingent upon final Bank approval. As a result, this proposal does not constitute a commitment to lend and does not purport to summarize all of the conditions, covenants, representations, warranties, and other provisions which would be contained in definitive legal documents for an approved loan transaction.

LOAN

BORROWER:	Westin, Inc.
PURPOSE:	Fairbury Plant and Retail Capacity Expansion Project
AMOUNT:	Up to \$3,500,000
TERM:	Advance period until April 30, 2023, followed by 5-year term note
INTEREST RATE:	<p>During advance period interest rate will adjust at prime minus 1.93% (3.57% as of 09/09/22)</p> <p>At 5-year conversion the interest rate will be fixed at the published 5-year U.S. Treasury index plus 128 bps (4.72% as of 09/0/22)</p> <p>Rates are based on project qualifying for tax exempt status.</p>
COMMITMENT FEE:	\$0
REPAYMENT TERMS:	<p>During advance period quarterly interest only loan payments.</p> <p>Quarterly principal and interest payments with 10-year amortization schedule resulting in a balloon payment at maturity.</p>
PREPAYMENT:	Prepayment penalty equal to 3% of prepaid amount in year 1, 2% year 2, 1% year 3 and no penalty thereafter (if refinanced by another financial institution).

ADDITIONAL CONSIDERATIONS

COLLATERAL:	A first position lien on all Borrower's assets, all new equipment, and Deed of Trust on Fairbury Facility
GUARANTORS:	WP Meats, Dominex, MH Wellness, WHW, Mr. Dell's
REPORTING REQUIREMENTS:	Consistent with current reporting.
LOAN COVENANTS:	<p>Consistent with current covenants which include:</p> <p>Fixed Charge Coverage Calculation Covenant – 1.10x or greater <i>Defined as "EBIDA less distributions made to its shareholder or holders of membership interests, less un-financed capital expenditures divided by Interest Charges and Scheduled Payments owed on a trailing twelve-month basis."</i></p> <p>Maximum Funded Debt to EBITDA Covenant – 3.0x or less <i>Defined as "All debt of the Borrower and the Guarantors on a consolidated basis divided by the consolidated trailing twelve-month EBITDA."</i></p>
CONDITIONS AND COSTS TO CLOSE:	Borrower is responsible for all fees and expenses, including, but not limited to, appraisal fees, legal counsel, title insurance and filing fees, incurred by Bank, in preparation and closing of the Loan.
CONFIDENTIALITY:	This term sheet is confidential and cannot be shared outside its intended recipients.

FNBO is very excited about the possibility of working with you on this opportunity. Should you have any questions or comments regarding anything contained in this proposal, please call us at 402-602-8556.

Sincerely,

Chad Ruwe
Director

Steve Eck
Managing Director

RESOLUTION NO. 2022-5

A RESOLUTION OF THE BOARD OF COMMISSIONERS (THE "BOARD") OF THE COUNTY OF JEFFERSON, NEBRASKA (THE "COUNTY") AUTHORIZING THE ISSUANCE BY THE COUNTY OF ITS REVENUE BONDS, SERIES 2022 (THE "BONDS") IN A PRINCIPAL AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) THE PROCEEDS OF WHICH WILL BE LOANED TO WESTIN, INC. (THE "BORROWER") FOR THE PURPOSE OF FINANCING THE EXPANSION, IMPROVEMENT AND RENOVATION OF ITS MANUFACTURING FACILITIES LOCATED IN FAIRBURY, NEBRASKA; MAKING FINDINGS AND DETERMINATIONS WITH REFERENCE TO THE BONDS; DETERMINING THAT THE BONDS SHALL NOT BE A LIABILITY OF THE COUNTY NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS; APPROVING AND AUTHORIZING EXECUTION OF A LOAN AGREEMENT AND RELATED DOCUMENTS; AUTHORIZING THE SALE OF THE BONDS; GRANTING PUBLIC APPROVAL WITHIN THE MEANING OF SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DECLARING THE COUNTY'S OFFICIAL INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES OF THE BORROWER FROM THE PROCEEDS OF THE BONDS; PROVIDING THAT THE INVALIDITY OF ANY PART OF THIS RESOLUTION SHALL NOT AFFECT THE REMAINDER; ADOPTING CERTAIN TAX-EXEMPT POST-ISSUANCE COMPLIANCE PROCEDURES; REPEALING ALL RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith; INCORPORATING WITHIN THIS RESOLUTION THE PROVISIONS OF CHAPTER 13, ARTICLE 11 OF THE REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED; AND PROVIDING FOR THE EFFECTIVE DATE OF THIS RESOLUTION.

WHEREAS, the County of Jefferson, Nebraska (the "**County**") is a county and body politic created and validly existing under the laws of the State of Nebraska (the "**State**"); and

WHEREAS, the County is authorized and empowered by the provisions of Chapter 13, Article 11, of the Reissue Revised Statutes of Nebraska, as amended (the "**Act**"), to finance projects, as that term is defined in the Act, including, among other things, any land, building, or equipment or other improvement, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for use for manufacturing or industrial enterprises, and to issue its revenue bonds for the purpose of financing the cost of acquisition, construction or purchase of any such projects; and

WHEREAS, Westin, Inc., a Nebraska corporation (the "**Borrower**"), has requested that the County issue its revenue bonds in a principal amount not to exceed \$10,000,000 and loan the proceeds thereof to the Borrower or an affiliate thereof for the purposes of financing the expansion, improvement and equipping of its manufacturing facilities located at 810 Bacon Road in Fairbury, Nebraska (collectively, the "**Project**"), as well as paying certain costs of issuing such bonds; and

WHEREAS, following posting of a notice of public hearing on the County's website on May 31, 2022 (the "**Notice**"), the Board of Commissioners of the County (the "**Board**") conducted a public hearing on June 7, 2022 pursuant to and in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended ("**Code**"), at which such hearing all interested parties were given an opportunity to express their views orally or in writing for or against the proposed issuance in one or more series pursuant to a plan of financing of not to exceed \$10,000,000 principal amount of the County's revenue bonds to finance the costs of the Project; and

WHEREAS, the County has determined that the financing of the costs of the Project through the issuance of its bonds and the loan of the proceeds thereof to the Borrower will promote the public purposes of the Act; and

WHEREAS, the County has determined and agreed to issue its Revenue Bonds (Westin Foods Project), Series 2022, in one or more series and in an aggregate principal amount not to exceed \$10,000,000 (the "**Bonds**") under and pursuant to a Loan Agreement (the "**Loan Agreement**"), among the County, the Borrower and First National Bank of Omaha (the "**Lender**"), as purchaser of the Bonds, for the purposes described herein and to sell the Bonds to the Lender; and

WHEREAS, there have been prepared in connection with the issuance and sale of the Bonds the following documents (collectively, the "**Financing Documents**") which have been presented to the County on this date:

(1) The form of the Loan Agreement setting forth the terms of the Bonds and the conditions and security for the Bonds; and

(2) The form of the Federal Tax Agreement (the "**Tax Agreement**") between the Borrower and the County; and

WHEREAS, the principal of, premium, if any, and the interest on the Bonds are to be payable **solely** from the loan payments from the Borrower under the Loan Agreement and the other funds pledged therefor; the Bonds do not give rise to a pecuniary liability of the County; and the Bonds are neither general obligations of the County nor secured by a pledge of or charge against the general credit or the taxing powers of the County; and

WHEREAS, it appears that each of the instruments above referred to, which are now before each of the members of the Board, is in appropriate form and is an appropriate instrument for the purposes intended; and

WHEREAS, it is necessary that the Board declare the County's official intent, solely for purposes of Treasury Regulations, Section 1.150-2, promulgated under the Code, to reimburse certain capital expenditures of the Borrower from the proceeds of the Bonds; and

WHEREAS, it is necessary that the County adopt policies and procedures to satisfy all applicable requirements of federal income tax law in order to preserve, post-issuance, the tax-exempt status of the bonds described herein; and

WHEREAS, all terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF JEFFERSON, NEBRASKA, AS FOLLOWS:

ARTICLE I

LEGAL AUTHORIZATION; FINDINGS

Section 1.01. Legal Authorization. The County is a body corporate and politic duly organized and existing as a county under the Constitution and laws of the State and is authorized under the Act to issue and sell its revenue bonds pursuant to the provisions of the Act, in this Resolution and in the Loan Agreement.

Section 1.02. Findings. The Board has heretofore found and determined, and does hereby find and determine, as follows:

(a) The loan of the proceeds of the Bonds by the County to the Borrower pursuant to the terms of the Loan Agreement to finance the costs of the Project is in furtherance of the purpose set forth in the Act.

(b) As represented and warranted by the Borrower, the Project consists of an eligible "project" as defined in the Act.

(c) The County has been advised by the Borrower that the estimated cost of the Project, including, but not limited to, construction costs, net original issue discount, necessary reserves and Bond issuance costs, is not less than the principal amount of the Bonds.

(d) The proceeds from the sale of the Bonds are to be loaned to the Borrower pursuant to the Loan Agreement. The amount necessary to pay the principal of, premium, if any, and interest on the Bonds is equal to the loan payments required to be paid by the Borrower under the Loan Agreement.

(e) The Loan Agreement provides that the Borrower shall maintain the Project and carry all proper insurance with respect thereto and shall pay taxes, if any, with respect to the Project.

(f) The Bonds will not constitute an indebtedness or obligation as to which the faith and credit of the County, the State, or any other political subdivision of the State are pledged, but are limited obligations of the County, which will be obligated to pay the principal of, premium, if any, or interest on the Bonds only from payments made to the County under the Loan Agreement and other amounts pledged therefor. The Bonds shall not constitute nor give rise to a pecuniary liability of the County, and the Bonds shall neither be general obligation of the County nor secured by a pledge of or charge against the general credit or the taxing powers of the County.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF THE BONDS; AUTHORIZATION OF DOCUMENTS

Section 2.01. Authorization of Issuance of Bonds; Terms of the Bonds. For the purpose of making a loan to the Borrower to finance the costs of the Project, there is hereby authorized to be issued one or more series of revenue bonds of the County in an aggregate principal amount not to exceed \$10,000,000 to be designated "County of Jefferson, Nebraska Revenue Bond (Westin Foods Project), Series 2022". The Bonds will be issuable in one or more series, in fully registered form, without coupons, and in the denomination or denominations set forth in the Loan Agreement. The Bonds shall be in such series, bear such date and yield, mature and be payable at such place and in such form, carry such registration privileges, be subject to redemption, be executed, be in such form and contain such terms, covenants and conditions, all as set forth in the Loan Agreement.

The Bonds shall be executed on behalf of the County by the manual or facsimile signature of the Chair or the Vice Chair of the Board and attested by the manual or facsimile signature of the County Clerk or the County Treasurer, or anyone authorized to sign on their behalf, all of whom are hereby authorized to execute and attest and deliver the Bonds on behalf of the County.

Section 2.02. Sale of the Bonds. Pursuant to the Loan Agreement, the Bonds shall be sold to the Lender at a private sale at a price equal to 100% of the principal amount of the Bonds. First National Capital Markets, Inc., as placement agent for the Bonds (the "**Placement Agent**"), shall be paid a fee by the Borrower in an amount to be agreed to by the Borrower and the Placement Agent.

Section 2.03. Approval of Financing Documents. The form, terms and provisions of the proposed Loan Agreement and Tax Agreement are, in all respects, hereby approved, authorized, ratified and confirmed. The Chair of the Board, the Vice Chair of the Board, the County Clerk and the County Treasurer (including any person authorized to act on his or her behalf, an "**Authorized Officer**") are each separately and individually hereby authorized and directed to execute, acknowledge and deliver each of the Loan Agreement and the Tax Agreement, including counterparts thereof, in the name and on behalf of the County. The Loan Agreement and the Tax Agreement, each as executed and delivered, shall be in substantially the forms now before this meeting and hereby approved, subject to such changes therein as shall be approved by the officer of the County executing the same, such execution thereof to constitute conclusive evidence of the County's approval of any and all changes or revisions therein from the forms of the Loan Agreement and the Tax Agreement now before this meeting; from and after the execution and delivery of the Loan Agreement and the Tax Agreement by the County, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement and the Tax Agreement as executed.

Section 2.04. Authority To Execute and Deliver Additional Documents; Further Authorizations. The Authorized Officers are each severally authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents and other papers and to

perform all other acts as the party signing may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble hereto.

ARTICLE III

PUBLIC HEARING AND APPROVAL

At the public hearing conducted by the Board on June 7, 2022 regarding the proposal of the County to issue the Bonds for the purpose of financing the costs of the Project, all interested parties who desired to do so were given the opportunity to express their views orally and in writing for or against the proposed Bonds and the Project.

The Notice of the public hearing was published on the County's primary website address of <https://jeffersoncounty.nebraska.gov/> on May 31, 2022 in compliance with the requirements of Section 147(f) of the Code. The Notice was published in an area of the County's website which is used to inform its residents about events affecting the residents and which is clearly identified and accessible to members of the general public seeking information concerning the plan of finance, the issuance of the Bonds and the Project. The Notice remained continuously published on the County's website for the entire period of at least 7 days from the date of the original publication on May 31, 2022 to the hearing date described in the Notice.

The Board has considered all oral and written statements which were made or filed for or against the proposed Bonds, and hereby determines that the proposed issuance by the County of the Bonds, for the purposes set forth in the Notice, is in the best interest of the County and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Code and the Act.

ARTICLE IV

REIMBURSEMENT INTENT

The Borrower has stated that it presently intends and reasonably expects to initially finance a portion of the costs of the Project with legally available funds of the Borrower (the "**Prior Capital Expenditures**"). The Borrower also presently intends and reasonably expects that such Prior Capital Expenditures will be repaid from proceeds of the Bonds. In accordance with the provisions of the Resolution and Treasury Regulations, Section 1.150-2, promulgated under the Code, and solely for such purposes, the Board hereby declares its official intent to reimburse the Prior Capital Expenditures out of the proceeds of the Bonds. All of the Prior Capital Expenditures covered by this declaration of official intent will be incurred during the period commencing 60 days prior to the date of this Resolution and ending no later than the later of (a) the date that is 18 months after the date on which it makes such Prior Capital Expenditures, or (ii) the date that is 18 months after the date on which the Project financed with such Prior Capital Expenditures is placed in service, but in any event no later than 3 years after the original date of such Prior Capital Expenditures, or (iii) such other date that is permitted by law.

ARTICLE V

MISCELLANEOUS

Section 5.01. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person, other than the County, the Borrower and the Lender, any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the County, the Borrower and the Lender as herein provided.

Section 5.02. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 5.03. Immunity of Officers. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any official, officer, member or agent of the County, the County or the State, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Bonds.

Section 5.04. Incorporation of the Act. This Resolution does hereby incorporate by reference, as though fully set out herein, the provisions of the Act.

Section 5.05. Post-Issuance Compliance Procedures. In connection with the issuance of the Bonds, the County hereby approves and adopts the post-issuance compliance policies and procedures substantially in the form attached hereto as Exhibit A and made a part hereof (the “**Post-Issuance Compliance Policies and Procedures**”) as may be supplemented from time to time as provided in the Post-Issuance Compliance Policies and Procedures. The County hereby authorizes and directs the officers and staff members of the County listed in the Post-Issuance Policies and Procedures (each, an “**Authorized County Representative**”) to take such actions as any such Authorized County Representative, after appropriate consultation with Bond Counsel to the County, deems necessary, appropriate or desirable to finalize the Post-Issuance Compliance Policies and Procedures and to effect the implementation thereof. Notwithstanding the foregoing, pursuant to the Tax Agreement the County will assign to the Borrower its obligations with respect to post-issuance tax compliance, and the Borrower’s acceptance of such assignment will be a condition to the issuance of the Bonds.

Section 5.06. Prior Resolutions. To the extent that the provisions of this Resolution conflict with provisions of prior resolutions, or parts thereof, the provisions of this Resolution shall control, to the extent of such conflicts.

Section 5.07. Effective Date. This Resolution shall be in full force and effect immediately upon its passage and approval.

Section 5.08. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 5.09. Validity of the Bonds. The Bonds shall contain a recital that such Bonds are issued pursuant to and under the Act, and such recital shall be conclusive evidence of its validity and of the regularity of its issuance.

* * * * *

Passed and approved June 7, 2022.

COUNTY OF JEFFERSON, NEBRASKA

ATTEST:



Kristina Riggle
Jefferson County Clerk

By: *[Signature]*
Chair, Board of Commissioners

EXHIBIT A

WRITTEN POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES

I. Purpose

A. In General. The Internal Revenue Service (the “IRS”) has strongly recommended that issuers and conduit borrowers of municipal bonds assist with the efforts to administer the income tax laws by adopting written policies and procedures that are intended to assure that appropriate compliance measures are implemented by such issuers after their bonds have been issued. This document constitutes and is intended to memorialize formally the written post-issuance compliance policies and procedures (the “Issuer’s PICPP”) that the County of Jefferson, Nebraska (the “Issuer”) has previously adopted or followed, or is now adopting, in connection with one or more borrowings of proceeds of Tax-Exempt Bonds (as defined herein) issued by the County for the benefit of conduit borrowers.

B. Definitions.

1. “*Authorized Representative*” means the Post-Issuance Compliance Officer of the County designated in II below and any officer or staff of the County designated by the Post-Issuance Compliance Officer to perform any of the functions described in this Issuer’s PICPP.

2. “*Bad Use*” means expenditure on projects to be used by other than a qualified governmental or qualified conduit borrower user, a loan to a non-qualified person or use of a bond-financed facility by a non-qualified person. As indicated herein, such use may arise pursuant to a management agreement, research agreement, naming rights agreement or any similar agreement relating to a bond-financed facility.

3. “*Bad Payments*” means any payments derived from Bad Use of bond financed property.

4. “*Bond Counsel*” means any nationally recognized bond counsel engaged at the Conduit Borrower’s expense by or on behalf of the County or the Conduit Borrower to review or opine on matters covered by this Issuer’s PICPP.

5. “*Conduit Borrower*” means each entity who is a borrower or beneficiary of proceeds of any of the County’s Tax-Exempt Bonds.

6. “*Code*” means the Internal Revenue Code of 1986, as amended.

7. “*Governing Body*” means the Board of Commissioners of the County.

8. “*Regulations*” means the Income Tax Regulations promulgated pursuant to the Code.

9. “*Tax Closing Documentation*” means any and all covenants, certificates, instructions and information reporting documentation contained in the closing transcript or record of proceedings for any series of Tax-Exempt Bonds, whether executed in connection with the issuance of any such series of obligations or executed post-closing.

10. “*Tax-Exempt Bonds*” means the one or more series of governmental purpose bonds or other form of tax-exempt obligations that the County has previously issued or may in the future issue for the benefit of conduit borrowers, the interest on which is excludable from gross income of the owners thereof pursuant to Sections 103 and 141-150 of the Code and Regulations.

C. Incorporation of Tax Closing Documentation. This Issuer’s PICPP shall be deemed to include and hereby incorporates all Tax Closing Documentation for each issue of the County’s Tax-Exempt Bonds issued for the benefit of conduit borrowers.

II. Overall Responsibility for Post-Issuance Compliance

A. Assignment of Issuer’s Responsibility to Conduit Borrowers. Oversight responsibility for post-issuance compliance is assigned to the Chair of the County. Such officer is hereby designated the Issuer’s Post-Issuance Compliance Officer (the “Issuer’s PICO”). Certain specific compliance responsibilities may be assigned by the Issuer’s PICO to a designated Authorized Representative of the Issuer as deemed necessary by the Issuer’s PICO.

B. Delegation to Conduit Borrowers. The Issuer’s PICO will establish to his or her satisfaction that pursuant to the Tax Closing Documentation for each issue, each Conduit Borrower of proceeds of an issue of Tax-Exempt Bonds will be delegated primary post-issuance compliance responsibilities and that any Issuer expenses relating to the performance post-issuance compliance responsibilities will be paid by the conduit borrower.

C. Consultation with Issuer or Outside Professionals. The Issuer’s PICO and any Authorized Representative may consult with any Bond Counsel or other municipal finance advisors or professionals that they deem appropriate to meet the requirements of this Issuer’s PICPP.

D. IRS Correspondence and Audits. The Issuer’s PICO will consult with the Issuer, Bond Counsel and the conduit borrower immediately upon receipt of any correspondence from, or opening of an examination of any type, with respect to the bonds by the IRS.

E. Periodic Review Requirements. The Issuer’s PICO will review the implementation of this Issuer’s PICPP with the Governing Body at least annually during the term of any Tax-Exempt Bonds.

F. Training Requirements. The Issuer’s PICO will develop a training program that is designed to inform any successor Issuer’s PICO of the requirements of this Issuer’s PICPP and periodically to train all Authorized Representatives of their duties under this

Issuer's PICPP. Such a training program may developed with internal materials or those supplied by Issuer and Bond Counsel and shall include a review of the Code and the IRS's web site set up for the tax exempt bond community (<http://www.irs.gov/taxexemptbond/index.html?navmenu=menu1>).

G. Revision of Issuer's PICPP. The Issuer's PICO will periodically seek the advice of Issuer and Bond Counsel or other municipal finance advisors or professionals that he or she deems appropriate to revise the terms of this Issuer's PICPP. Such revisions shall be annually approved or ratified by the Governing Body.

Jefferson County Commissioners

Michael T Dux 402-300-0257 Gale A Pohlmann, 402-656-3733 Mark A Schoenrock, Chairman 402-793-5585

411 4th Street
Fairbury, NE 68352

LETTER OF APPROVAL

September 22, 2022

Nebraska Investment Finance Authority
Attn: Jody Cook
1230 O St. Ste. 200
Lincoln, NE 68508

Dear Ms. Cook:

On behalf of Jefferson County, we are writing to provide the Nebraska Investment Finance Authority (NIFA) a letter of approval for Westin Packaged Meats and the company's planned expansion project located in Fairbury, Nebraska. The County has also approved Resolution No. 2022-5 authorizing the issuance by the County of its Revenue Bonds, Series 2022 for the purpose of financing the expansion, improvement, and renovation of its manufacturing facilities.

Jefferson County attests that all necessary ordinances and licensing requirements will be met. Please reach out to the County office at 402-729-6818 if you have any additional questions.

Respectfully,



Mark Schoenrock, Chairperson
Jefferson County Board of Commissioners
411 4th Street
Fairbury, NE 68352