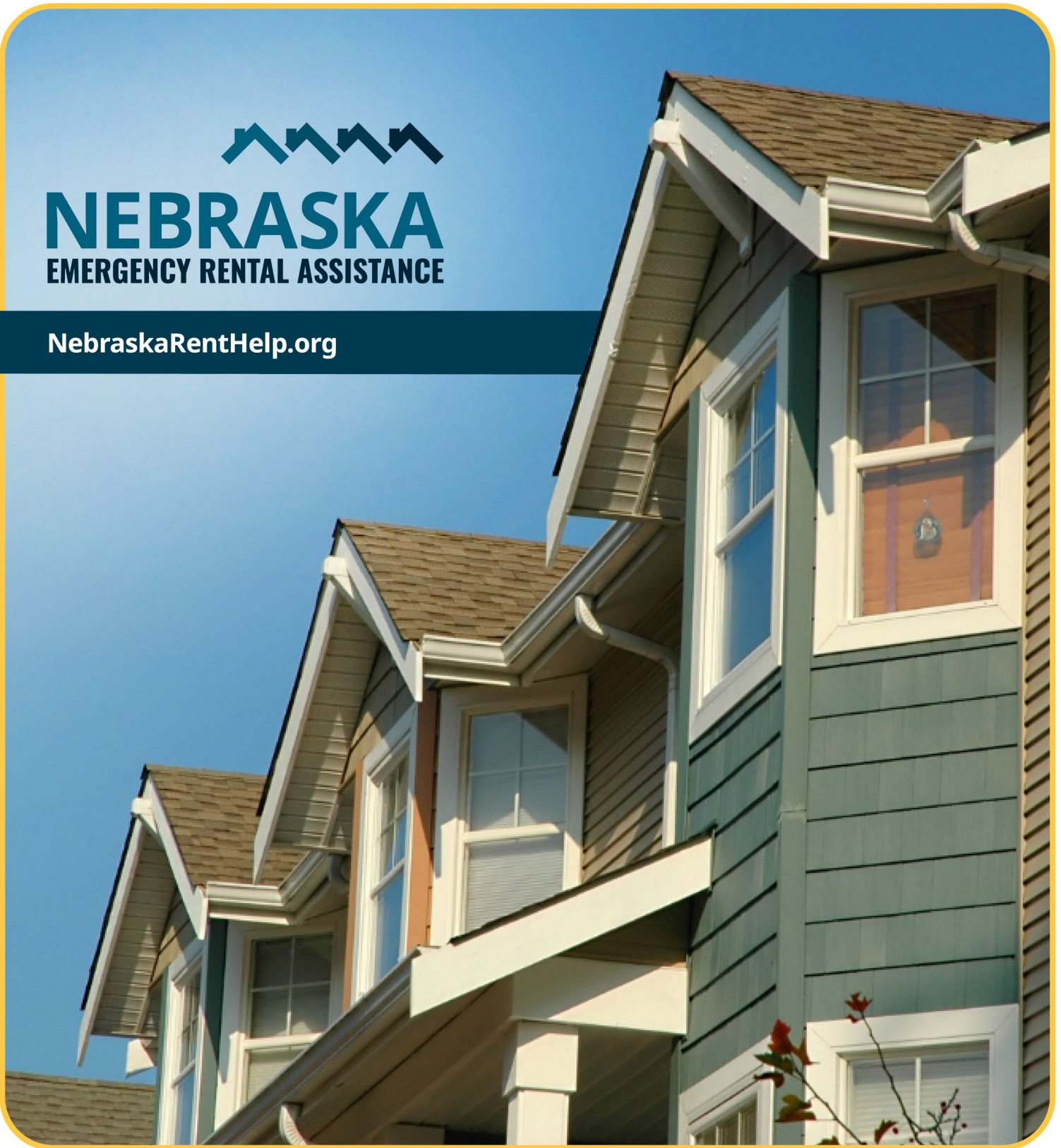




NEBRASKA

EMERGENCY RENTAL ASSISTANCE

NebraskaRentHelp.org



OCTOBER 20, 2023

BOARD OF DIRECTORS MEETING



1230 O Street, Suite 200
Lincoln, Nebraska

NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

Friday, October 20, 2023
9:00 a.m.

Business Meeting – Hilton Omaha
1001 Cass St, Omaha, NE 68102

Tour – The Cottages
1528 N 16th St, Omaha, NE 68110

Notice Published: October 15, 2023 – Omaha World Herald
October 15, 2023 – Lincoln Journal Star

AGENDA

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

1. Call Meeting to Order and Roll Call
2. Public Comment Related to the October 20, 2023 Agenda Items (comment period limited to five minutes)
3. Consent Agenda
 - a. August 25, 2023 NIFA Board of Director Meeting Minutes
 - b. Executive Director’s Report
 - c. Report on Homeownership Program
 - d. Report on Agriculture Loan Program, Including Loans in Process
 - e. Report on Homeowner Assistance Fund
 - f. Report on Community Engagement Activities

AGENDA

October 20, 2023

- g. Report on Collaborative Resource Allocation of Nebraska (CRANE)
- h. Private Activity Bond Cap Summary

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

Action Items & Reports – 65 minutes

Audit Committee – 10 minutes

- 4. Consideration of a Motion to Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2023

Other Action Items – 10 minutes

- 5. Consideration of Adoption of Resolution No. 471 — Authorizing the Authority to Enter into One or More Warehouse Financings with the Federal Home Loan Bank of Topeka to Provide Interim Financing for Single Family Mortgage Loans and Mortgage-Backed Securities to be Ultimately Financed with the Proceeds of the Authority's Single Family Housing Revenue Bonds
- 6. Consideration of a Motion to Approve the Nebraska Investment Finance Authority Amended Swap Management and Execution Policy

Programs Committee – 35 minutes

- 7. Consideration of Approval of Conditional Reservations for 2024 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs
- 8. Consideration of a Motion to Amend the Motion Passed by the NIFA Board on April 22, 2022, with Respect to Approval of Conditional Reservations – Future Binding Commitments for Category 1 CRANE Projects
- 9. General Discussion regarding CRANE Program

Single Family Housing Finance – 10 minutes

- 10. Consideration of a Motion to Approve the Notice Pursuant to Section 58-270 and the Filing Thereof with the Governor and the Clerk of the Nebraska Legislature of NIFA's

AGENDA

October 20, 2023

Intent to Issue Single Family Housing Bonds in the Aggregate Principal Amount of up to \$650,000,000

Strategic Topic – 15 minutes

11. Nebraska Emergency Rental Assistance Program Launch

NIFA Highlights – 10 minutes

12. Update on NIFA's Bond Sale

13. Announcements and Discussion of Upcoming Events

a. 2024 Board Meeting Schedule

14. Motion to Recess and Reconvene at Tour

Tour – The Cottages at Siena Francis

15. Call Meeting to Order and Roll Call

16. Non-Business Lunch and Tour

17. Adjournment

**NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

**Country Club of Lincoln
3200 S. 24th Street, Lincoln NE**

Minutes of Friday, August 25, 2023

Notice Published: August 20, 2023 – Omaha World Herald
August 20, 2023 – 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 room, posted against the wall, and online at:

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

All votes taken by roll call of the members.

Board Members Present: George Achola
Warren Arganbright
K.C. Belitz
Susan Bredthauer
Herb Freeman
Galen Frenzen
Michael Walden-Newman
Colten Zamrzla

Board Members Absent: Sherry Vinton (arrived later as noted in the minutes)

NIFA Staff Present: Shannon Harner, Executive Director and Board Secretary
Amy Krutz, Executive Assistant and Board Clerk
Christie Weston, Deputy Director
Robin Ambroz, Deputy Director of Programs and Marketing
Jody Cook, Controller
Jacki Young, Chief Homeownership Officer
Kelly Schultze, LIHTC Compliance Manager

Sara Tichota, LIHTC Allocation Manager
Stacy Fotinos, Homeownership Operations Manager
Denise Packard, ERA Coordinator

Guests Present:

Patti Peterson, Kutak Rock LLP
Erika Lynch, Kutak Rock LLP
Jeff Gertz, JP Morgan
Charles Karimbakas, cfX
Teresa Chan, cfX
Sissi Chen, cfX
Jeremy Obaditch, cfX

1. Call Meeting to Order and Roll Call

Chair Belitz called the meeting to order at 1:34 p.m. with 8 members present. Belitz reported that copies of the Open Meetings Act were posted against the wall and located on the table at the entrance to the room. Notice of the meeting was published on Sunday, August 20, 2023 in the Omaha World Herald and Lincoln Journal Star. Affidavits of the publication are attached.

2. Public Comment Related to the August 25, 2023 Agenda Items (comment period limited to five minutes)

Chair Belitz 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.

3. Consent Agenda

- a. June 23, 2023 NIFA Board of Director Meeting Minutes
- b. Executive Director's Report
- c. Report from Governance Committee
- d. Report on Homeownership Program
- e. Report on Agriculture Loan Program, Including Loans in Process
- f. Report on Homeowner Assistance Fund
- g. Report on Community Engagement Activities
- h. Report on Collaborative Resource Allocation of Nebraska (CRANE)
- i. Private Activity Bond Cap Summary
- j. Appointment of Standing Committee Members Pursuant to the Bylaws

Moved by Achola, seconded by Arganbright to approve the minutes and accept the reports on the Consent Agenda as presented.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Bredthauer, Freeman, Frenzen, Walden-Newman, Zamrzla

Voting NAY: None

Absent: Vinton

The motion passed unanimously.

Action Items & Reports

Programs Committee

4. Update on TERC Appeal relating to Valuation of LIHTC Housing Projects in Lancaster County

Shannon Harner introduced Patti Peterson from Kutak Rock LLP to update the Board on the state of the TERC Appeal in Lancaster County. NIFA has been asked to present an amicus brief in October. A discussion was held on other parties who may be interested in presenting amicus briefs to the court: Four-percent bondholders, tenants, the cities of Lincoln and Omaha.

Single Family Housing Finance

5. Report on Most Recent NIFA Bond Sale

Shannon Harner introduced Jeff Gertz from JP Morgan to give a report on the most recent NIFA bond sale, Single Family Housing Revenue Bonds 2023 Series E and F. A discussion was held on the decisions made on the sale date, which turned out to be a challenging market day.

Additionally, Ms. Harner introduced the team from cfX, NIFA's quantitative consultant. There may be an opportunity in the future for cfX to give a more in-depth presentation to the Board.

George Achola left the meeting room at 1:46 p.m. and returned at 1:51 p.m.

Strategic Topic

6. NIFA Homeownership Program

Jacki Young presented on the NIFA Homeownership Program throughout the years, touching on program milestones, the history and structure of the program, and homebuyer and real-estate agent education. Ms. Young gave an overview of the Welcome Home program launched in October 2022, giving homebuyers who may not qualify under the income requirements of other NIFA programs the ability to get assistance. Jody Cook noted that the number of loans in default is under both the nationwide and Nebraska-wide average percentages.

Ms. Young also introduced Stacy Fotinos, NIFA's Homeownership Operations Manager, and gave kudos to her team for their hard work over the years.

Sherry Vinton arrived at 2:19 p.m.

NIFA Highlights

7. Consideration of a Motion to Approve Resolution No. 470 Recognizing Service to NIFA

Shannon Harner presented a proposed Resolution to recognize Patti Peterson for her years of service as NIFA's legal counsel. Moved by Arganbright, seconded by Frenzen to adopt Resolution No. 470.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Bredthauer, Freeman, Frenzen, Vinton, Walden-Newman, Zamrzla

Voting NAY: None

Absent: None

The motion passed unanimously.

Patti Peterson gave a few remarks thanking her mentor, the Board, and the staff at NIFA.

8. Announcements and Discussion of Upcoming Events

Shannon Harner introduced Denise Packard, the new coordinator for the Emergency Rental Assistance Program (ERA) and Amy Krutz, the new Executive Assistant and Board Clerk. Ms. Harner reminded the Board about the reception to be held following the meeting.

Executive Session

Governance Committee

9. Executive Director Contract

- a. Consideration of a Motion for a Closed Session to Discuss the Executive Director's Job Performance and Employment Terms**
- b. Consideration of Adoption of a Motion Approving the Continued Employment of the Executive Director and Employment Terms in Connection Therewith**

A brief discussion was held on the phrasing of the agenda header "Executive Session."

Moved by Arganbright, seconded by Achola to go into closed session at 2:51 p.m. to discuss the Executive Director's job performance and employment terms, which closed session is consistent with the Nebraska Open Meetings law and is necessary to protect the interests of both NIFA and the public. The Executive Director has not requested a public meeting for this discussion.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Bredthauer, Freeman, Frenzen, Vinton, Walden-Newman, Zamrzla

Voting NAY: None

Absent: None

The motion passed unanimously.

Prior to the closed session, the following statement was read by the Chair: "The closed session discussion shall be limited to matters related to the Executive Director's job

Performance and Employment Terms. Members shall restrict their consideration of matters during the closed session to the purpose stated in the Motion.”

Michael Walden-Newman left the meeting at 2:51 p.m.

Closed Session

Board Members met in closed session from 2:51 p.m. until 3:01 p.m. Moved by Achola, seconded by Freeman to exit closed session.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Bredthauer, Freeman, Frenzen, Vinton, Zamrzla

Voting NAY: None

Absent: Walden-Newman

The motion passed unanimously.

Achola indicated on the record that the Board is very pleased with Ms. Harner’s service as Executive Director. In connection with Ms. Harner’s employment terms, the following motion was made by Arganbright and seconded by Achola:

Motion to extend the employment of the Executive Director for an additional three years and to authorize the execution of a 2023 Agreement providing for an increase in the annual salary of the Executive Director, commencing August 15, 2023, of \$8,183.20 and such other terms as agreed to by the Chair or Vice Chair of the NIFA Board (each of whom shall be authorized to execute the 2023 Agreement on behalf of NIFA), as determined to be in the best interests of NIFA, in connection with the execution of the 2023 Agreement with Ms. Harner.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Bredthauer, Freeman, Frenzen, Vinton, Zamrzla

Voting NAY: None

Absent: Walden-Newman

The motion passed unanimously.

10. Motion to Recess and Reconvene at Reception

Moved by Arganbright, seconded by Frenzen to recess at 3:04 p.m.

40th Anniversary of NIFA Celebration

11. Call Meeting to Order and Roll Call

Chair Belitz called the meeting back to order at 3:56 p.m. with 8 members present.

12. Adjournment

Moved by Zamrzla to adjourn at 6:00 p.m.

Respectfully submitted,



Shannon R. Harner
Executive Director and Board Secretary



*** Proof of Publication ***

State of Indiana)
Lake County) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1176700

The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper and that said newspaper is the legal newspaper under the statutes of the State of Nebraska.

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Clerk of the Lincoln Journal Star

Signature

[Handwritten Signature] Date 8/22/23

**NOTICE OF MEETING
NEBRASKA INVESTMENT
FINANCE AUTHORITY**
Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a Board of Directors Meeting and 40th Anniversary Celebration, which is open to participation by the public, on Friday, August 25, 2023 at the Country Club of Lincoln, 3200 South 24th Street, Lincoln, Nebraska. The Authority's meeting will begin at 1:30 p.m. in the Balcony Room. The 40th Anniversary Celebration will begin at 4:00 p.m. in the Ballroom.
Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Amy Krutz at the Authority at (402) 434-6935 at least 48 hours in advance of the meeting.
The agenda of the meeting, which is kept continually current, is available for public inspection at the Authority's website at <https://www.nifa.org/about/board-of-directors> and posted on the front door of the Authority's office at Suite 200, 1230 O Street, Lincoln, Nebraska, during normal business hours.
A current copy of the Open Meetings Act, Neb. Rev. Stat. 84-1407 et. seq., and a copy of the Board book materials (which may be updated) to be discussed, will be available at the meeting and at the Authority's website at <https://www.nifa.org/about/board-of-directors>. Handouts and other materials presented at the meeting will be available for viewing by all attendees. Copies of Board materials not otherwise made available at the Authority's website will be available from the Authority, upon request, subsequent to the meeting.
For more information or questions please contact Christie Weston, Deputy Director, at (402) 434-3912.
1176700, 8/20 ZNEZ

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 08/20/2023

TOTAL AD COST: 49.39

FILED ON: 8/22/2023

Subscribed in my presence and sworn to before me on

August 22, 2023

Christina Palma Notary Public



AFFIDAVIT

State of Florida, County of Hernando, ss:

I, Stefan Edward Pla, being of lawful age, being duly sworn upon oath, hereby depose and say that I am agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Omaha World Herald, a legal daily newspaper printed and published in the county of Douglas and State of Nebraska, and of general circulation in the Counties of Douglas, and Sarpy and State of Nebraska, and that the attached printed notice was published in said newspaper on the dates stated below and that said newspaper is a legal newspaper under the statutes of the State of Nebraska.

PUBLICATION DATES:

20 Aug 2023

NOTICE NAME: Notice of Board Meeting (08/25/23)

PUBLICATION FEE: \$57.53

Stefan Pla

(Signed) _____

VERIFICATION

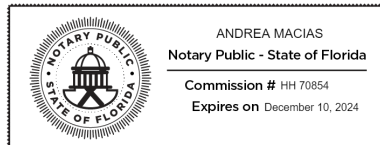
State of Florida
County of Hernando

Subscribed in my presence and sworn to before me on this: 08/21/2023

Andrea Macias

Notary Public

Notarized online using audio-video communication



NOTICE OF MEETING NEBRASKA INVESTMENT FINANCE AUTHORITY

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For more information or questions please contact Christie Weston, Deputy Director, at (402) 434-3912.
2023, (8) 20 - Sundays, ZNEZ

**October 20th, 2023, Board Meeting
Executive Director Report**

NIFA Board Members:

This meeting will be held in Omaha and, after the business portion of the meeting, we will recess and reconvene offsite to take a tour of The Cottages at Siena Francis, which is our first LIHTC tiny homes project.

For the business of the meeting, there are several administrative things we need to accomplish, including review of our Swap policy, re-authorization of our warehouse financing line of credit with the Federal Home Loan Bank of Topeka, and the annual notice of NIFA's intent to issue single family housing bonds.

In addition, we will bring forward for approval the draft, audited financial statements for the fiscal year ended June 30, 2023. The audit process went smoothly, and the Finance and Accounting team did a thorough job, ensuring that we were able to complete the audit timely. This was the second year of using Eide Bailly and we thank them for their work.

We will also dedicate time this meeting to matters relating to Low Income Housing Tax Credits, as we have 9% application recommendations for Board review and a couple of additional LIHTC CRANE items for consideration and/or discussion.

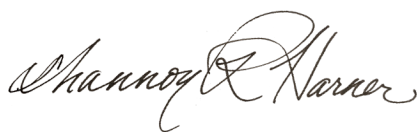
Our strategic topic will be the balance of State Emergency Rental Assistance Program (ERAP 2) that NIFA successfully launched at the end of September.

Other Updates

As the legislative season is approaching the NIFA team has been working with the Housing Council, and other housing partners, to assess the current housing landscape and provide data to policy makers. We anticipate an active session and hope to successfully support the case for investment in housing.

Our work to wrap up the Nebraska Homeowner Assistance Fund Program is continuing. Wait list applicants are being processed, even as new people continue to join the waitlist. All in all, this has been a very successful program that has helped keep Nebraska homeowners in their properties.

Respectfully,

A handwritten signature in cursive script, reading "Shannon R. Harner".

Shannon R. Harner
Executive Director

Homeownership Program Report

Board of Directors Meeting

October 20, 2023

FIRST HOME PROGRAMS

2023 Reservation Activity
As of 9/30/23

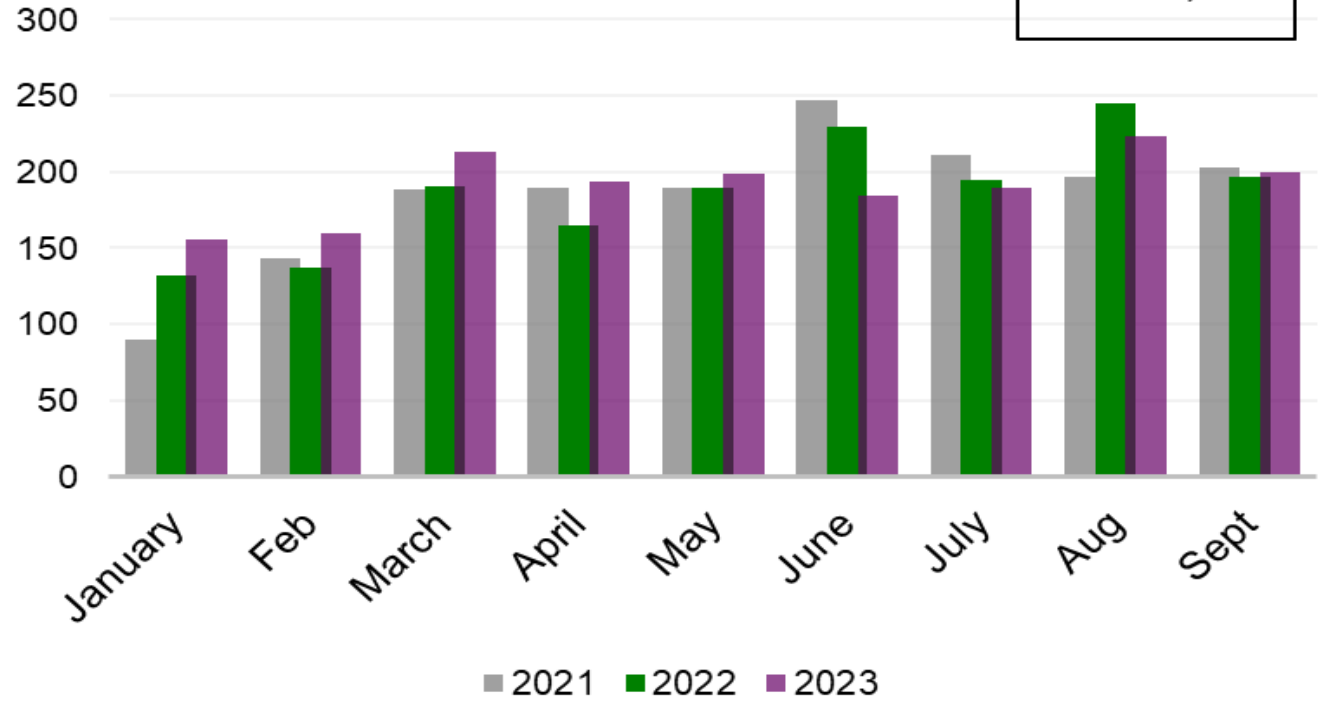
| | |
|--------------------------|---------------|
| # Loan Reservations | 1,715 |
| \$ Loan Reservations | \$320,496,315 |
| Average 1st Loan Amount | \$186,878 |
| Average 2nd Loan Amount | \$8,711 |
| Average Household Income | \$70,318 |
| Urban Areas | 61% |
| Rural Areas | 39% |

WELCOME HOME PROGRAMS

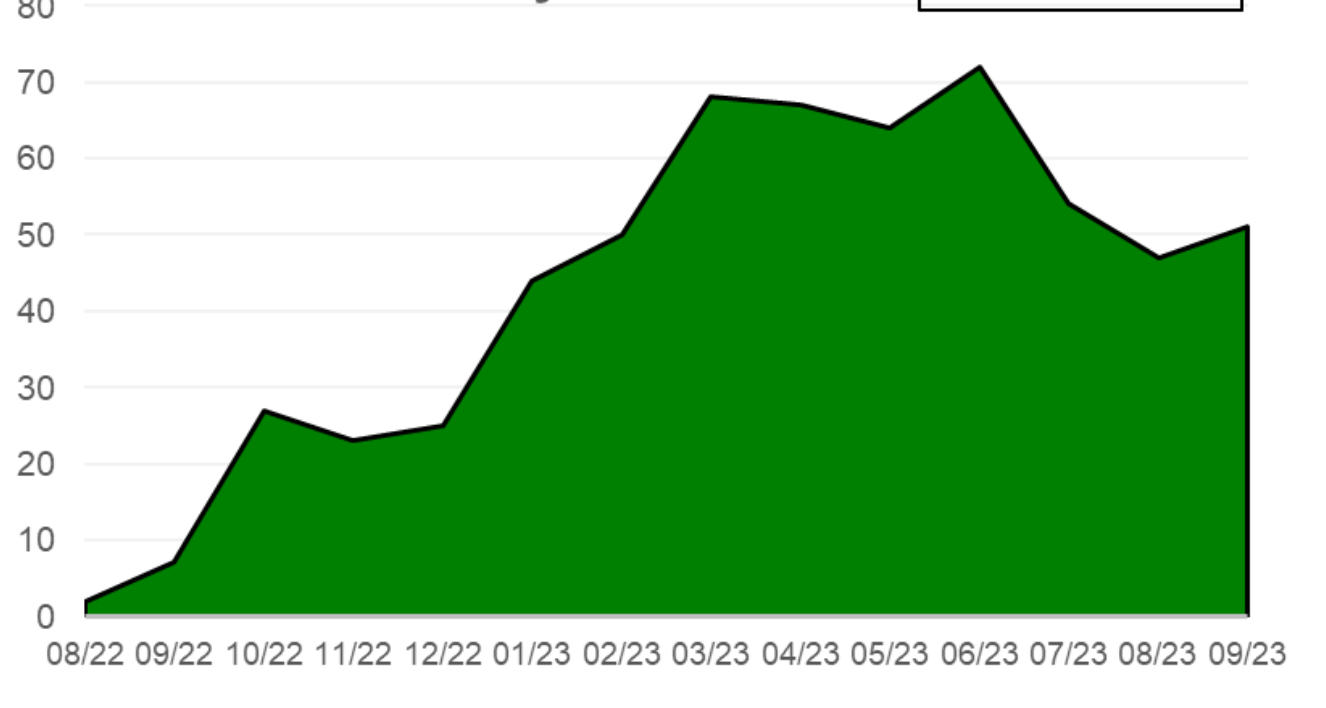
2023 Reservation Activity
As of 9/30/23

| | |
|--------------------------|---------------|
| # Loan Reservations | 517 |
| \$ Loan Reservations | \$123,475,047 |
| Average 1st Loan Amount | \$238,830 |
| Average 2nd Loan Amount | \$11,211 |
| Average Household Income | \$95,802 |
| Urban Areas | 64% |
| Rural Areas | 36% |

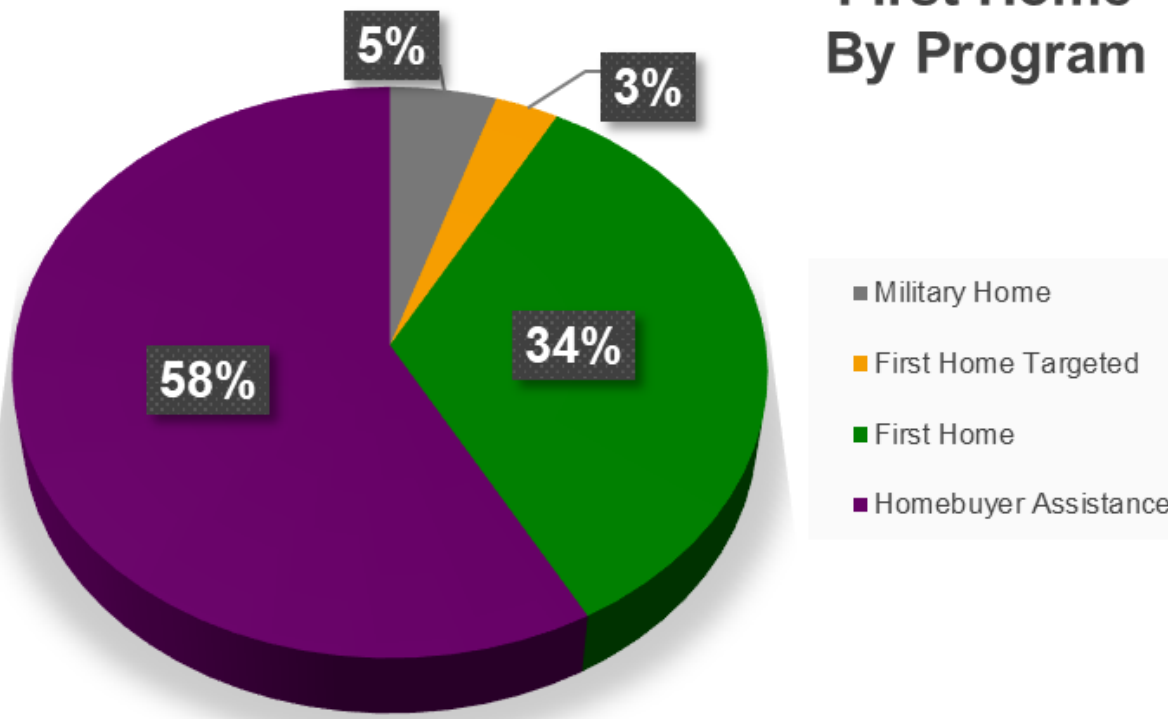
First Home By Month



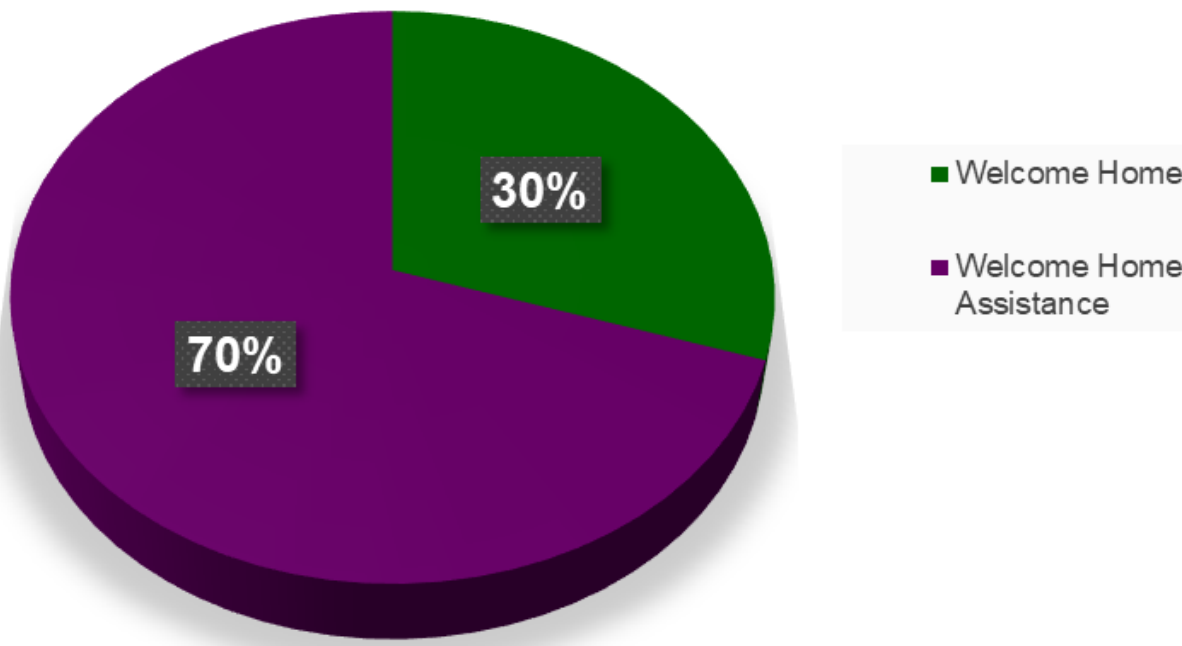
Welcome Home By Month



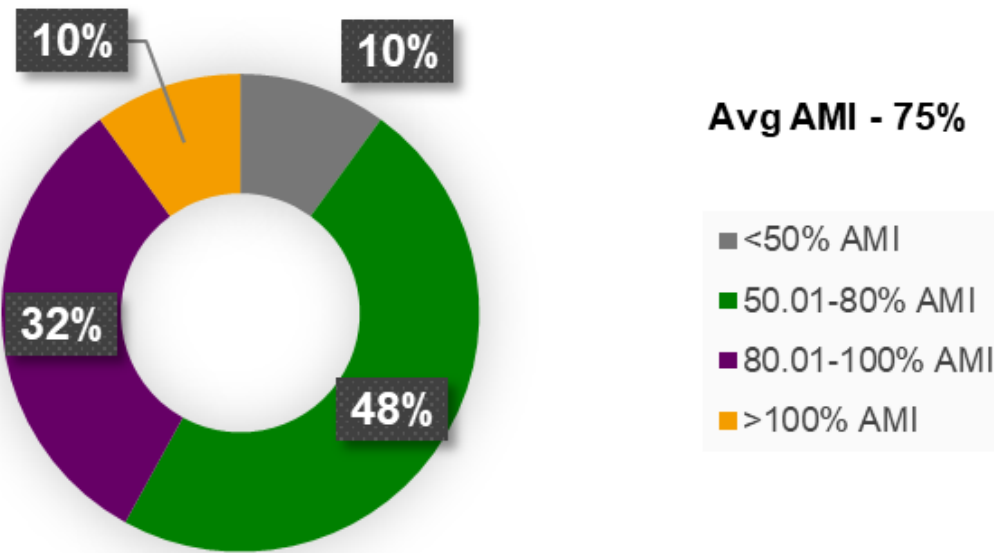
First Home By Program



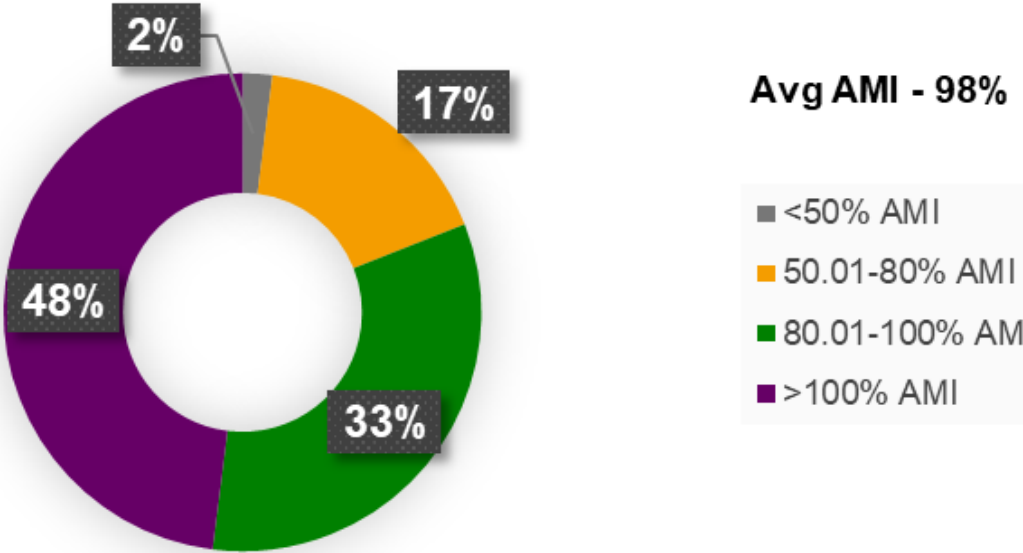
Welcome Home By Program



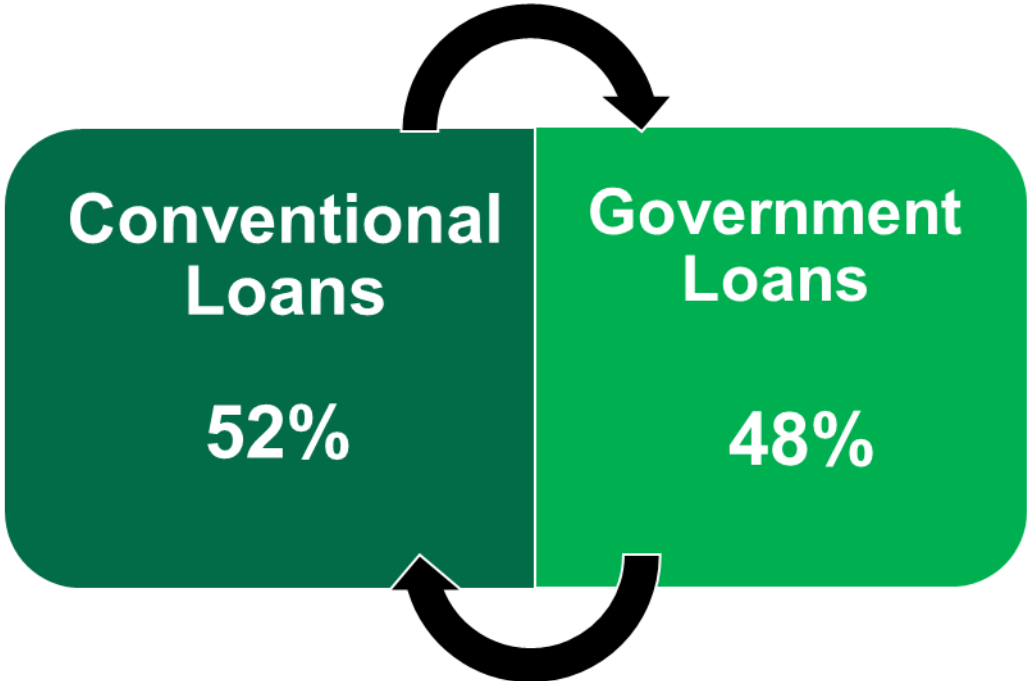
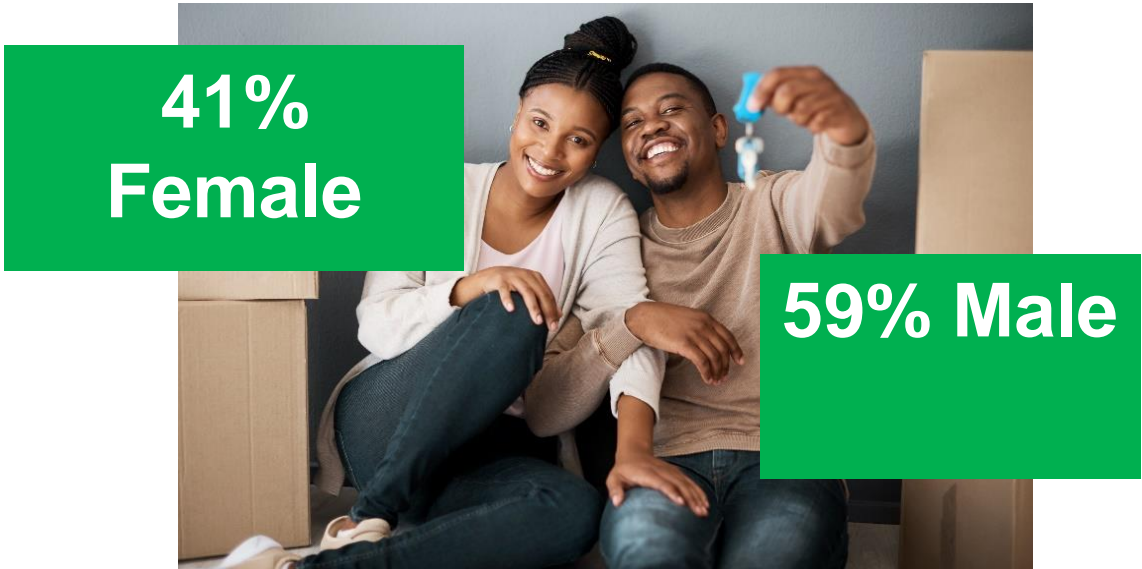
First Home By Borrower AMI



Welcome Home By Borrower AMI



Homebuyer Characteristics



Report on NIFA Agriculture Loan Program

October 13, 2023

Consent Agenda Item 3d

CLOSED LOAN SUMMARY:

Public Hearing Date: August 18, 2023

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Brett C. Uhing Project) Series 2023 (the "Bond")

Borrower: Brett C. Uhing

Bond Purchaser: First Northeast Bank of Nebraska, Hooper, Nebraska

Purpose: Loan (the "Loan") to the Borrower to acquire approximately 40 acres of farm real estate located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 8-20N-9E of the 6th P.M., Burt County, Nebraska.

Amount: \$190,000

Bond Dated Date: September 28, 2023

Terms: The Bond shall bear interest at 5.750% per annum until July 28, 2028. On that date and every 5 years thereafter (a "Change Date"), the interest rate on the Bond will be adjusted to the Wall Street Journal U.S. Prime Rate (the "Index"), minus 2.50%. Interest on the Bond shall be computed on an Actual/365 day counting method. Principal and interest on the Bond shall be paid on demand and if no demand is made, principal and interest shall be paid in 19 payments of \$13,442.64 beginning on July 28, 2024, and on each July 28 thereafter to and including July 28, 2042 (subject to any interest rate changes). The final payment of the entire unpaid balance of principal and accrued interest will be due July 28, 2043 (the "Maturity Date"). Upon an interest rate change, the payments on the

Bond will be reamortized at the new interest rate over the remaining term. The Interest Rate will never be greater than 12% or less than 4.50%. If a payment is more than 5 days late, a charge of 5% of the amount of Payment or \$10.00, whichever is greater, will be assessed. This charge will never be greater than \$25.00. Upon default, including failure to pay upon the Maturity, the interest rate on this Bond shall be increased to 18% until paid in full. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

LOANS IN-PROCESS:

Borrower: Clayton and Natalie Wacker

- Purpose: Purchase of approximately 45 acres of farm real estate located in the SE ¼ SE ¼ of Section 25, Township 18, Range 6E of the 6th P.M. in Dodge County, Nebraska.
- Purchase price: \$495,000
- NIFA loan/bond amount: \$247,500
- Interest rate through NIFA of 6.25% variable (Lender's normal rate: 7.75% variable)
- Bondholder: First Northeast Bank of Nebraska – Hooper, Nebraska

Borrower: Layne Miller

- Purpose: Purchase of approximately 4 acres of farm real estate located in Lot 3 of SE ¼ and Lot 4 of SW ¼ S33-T22-R8E of 6th P.M. in Burt County, Nebraska, a hardsteel building, and equipment.
- Purchase price: 765,000
- NIFA loan/bond amount: \$365,000
- Interest rate through NIFA of 6.31% variable (Lender's normal rate: 8.5% variable)
- Bondholder: Great Plains State Bank – Columbus, Nebraska

Borrower: Benjamin Hintz and Ellen Kathleen Roufs

- Purpose: Purchase of approximately 77 acres of farm real estate located in Section 8, Township 2, Range 2, all west of the 6th PM, Thayer County, Nebraska.
- Purchase price: \$768,700

- NIFA loan/bond amount: \$384,350
- Interest rate through NIFA of 6.0% variable (Lender's normal rate: 7.5% variable)
- Bondholder: Thayer County Bank – Hebron, Nebraska

Borrower: Mattison Beattie

- Purpose: Purchase of approximately 146 acres of farm real estate located in the SE Quarter Section 7, Township 10 North, Range 18 West, of the 6th P.M. and all that part of the SW Quarter of Section 8, Township 10 North, Range 18 West of the 6th P.M. in Buffalo County, Nebraska, and Valley 10 Tower Pivot with JD 4045 Power Unit.
- Purchase price: \$1,200,000
- NIFA loan/bond amount: \$607,712
- Interest rate through NIFA of 6.625% variable (Lender's normal rate: 8.12% variable)
- Bondholder: First State Bank Nebraska – Lincoln, Nebraska

Borrower: Schuyler Tomes

- Purpose: Purchase of approximately 35 acres of farm real estate located in the NW ¼ of NW ¼ 12-11-1 in York County, Nebraska, less the Volzke Trust Addition that contains 3.3 acres.
- Purchase price: \$411,000
- NIFA loan/bond amount: \$205,500
- Interest rate through NIFA of 6.5% variable (Lender's normal rate: 7.5% variable)
- Bondholder: Jones Bank – Seward, Nebraska

MODIFICATION OF EXISTING LOAN IN PROCESS

Borrower: Brent and Colynn Paprocki

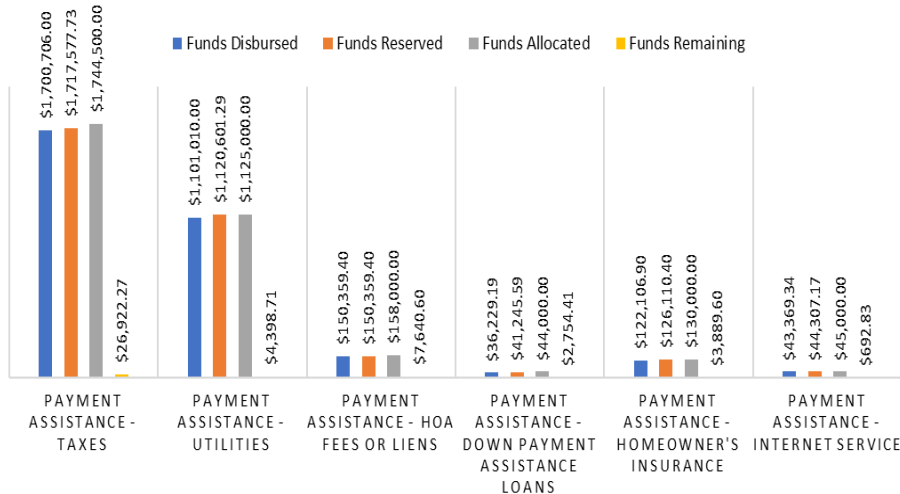
- Original Purpose: Purchase of approximately 40 acres of farm real estate located in the West Half of the South Half of the SW Quarter of Section 15, Township 19 North, Range 2, West of the 6th P.M. in Platte County, Nebraska.
- Outstanding NIFA loan/bond amount: \$198,085
- Modification purpose: Extend maturity date and adjustment of interest rate
- Bondholder: Bank of the Valley (formerly Farmer's State Bank in Humphrey, Nebraska)

Nebraska Homeownership Assistance Fund – October Board Report

TOTALS

| | |
|------------------|-------|
| APPLICATIONS | 7,942 |
| COUNTIES | 85/93 |
| APPROVED | 2,998 |
| FUNDED | 2,994 |
| REFERRED TO NHDA | 721 |

HOMEOWNER-RELATED EXPENSES



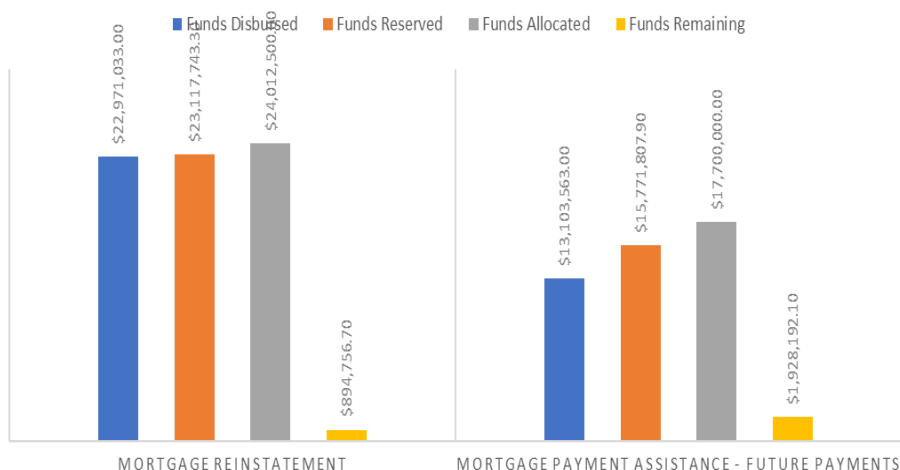
Average Amount Spent Per Homeowner

\$14,687.74

Average Amount Spent Per Homeowner Per Program

| | |
|---------------------------|------------|
| UTILITIES/INTERNET | \$408.99 |
| DOWN PAYMENT ASSISTANCE | \$61.60 |
| HOMEOWNER'S INSURANCE | \$1,645.53 |
| HOA FEES OR LIENS | \$1,752.99 |
| MORTGAGE REINSTATEMENT | \$7,859.58 |
| FUTURE PAYMENTS (MONTHLY) | \$1,071.39 |
| PROPERTY TAXES | \$2,921.06 |

MORTGAGE - RELATED FUNDING



The NHAF portal moved to waitlisting new applicants on June 30, 2023. Funds are anticipated to be spent by December 2023.

| | |
|-----------------------|-----|
| TOTAL ON WAITLIST | 731 |
| REMAINING ON WAITLIST | 264 |

ERA 2

The second round of Emergency Rental Assistance launched on September 28, 2023. This round includes collaboration with Legal Aid for eviction supports and Nebraska Children Families Foundation for Housing Stability Navigation services by utilizing the community collaboratives across the State.



Project Connect

NIFA is expanding our reach beyond Lincoln's Project Connect event, by also attending Norfolk and Grand Island's annual event. NIFA staff volunteered at the Lincoln event and helped renters apply for assistance with our newly launched second round of Emergency Rental Assistance funding in Norfolk. We will be assisting renters at the Grand Island event in November.



Education

Education and Policy is one of the pillars of the Strategic Housing Framework. NIFA supports this pillar through our educational efforts across the state. The Community Engagement team recently presented an overview of NIFA programs at the Bemis Neighborhood Association in Omaha.

Annual Latino Festival - Lincoln Antelope Park

El Centro de las Américas, a nonprofit organization that provides bilingual educational, social and health services, hosted the fifth annual Latino festival at Antelope Park earlier this month. The festival was an opportunity for Lincoln's 23,702 Hispanic or Latino residents to come together as a community and celebrate their heritage. NIFA was one of over 60 booths present at the event and we had over 65 visitors who learned about NIFA programs and resources.



The Realtors Association of Lincoln



The Realtors Association of Lincoln hosted a Diversifying Your Business event that was targeted to homeowner resources for New Americans. NIFA presented and hosted a booth at this event to share our resources and learn from the other agencies who presented. We look forward to learning more about these resources and helping to expand opportunities throughout Nebraska.



commitment



integrity



collaboration



innovation



stewardship

CRANE Public Meeting Report
via Zoom
August 23, 2023
9:00 a.m.

Attendees (via Zoom): Darin Smith and Mindy Crook, ArchIcon; Neeraj Agarwal; Ashley Lewis, Connection Homeless Shelter; Andria Bell, Burlington Capital; Denise Gehringer, Sheltering Tree; Andrew Whealy, inCommon; Ryan Durant, RMD Group; John Trouba, Department of Health and Human Services-Division of Behavioral Health; Cassandra Stark, Nebraska Department of Economic Development; and Pamela Otto, NIFA.

Meeting called to order by Pamela Otto at 9:02 a.m.

7-1035 Purple Martin – Omaha

Andria Bell reported they have been working on correcting the deficiencies and will be resubmitting the documents. Category 2.

7-1050 Stephen Center – Omaha

Darin Smith reported they are working on the application to submit. Category 3.

7-1051 1904 Farnam – Omaha

Neeraj Agarwal reported he will be resubmitting the application today. Category 2.

7-1052 Howard Street Rehab – Omaha

Neeraj Agarwal reported he will be submitting the application today. Category 3.

7-1054 The Poppleton – Omaha

Andrew Whealy reported they are working on the application. Category 3.

Connection Homeless Shelter – North Platte

Ashley Lewis reported they are finalizing site control and then will be submitting an application. Category 4.

Meeting adjourned: 9:05 a.m.

CRANE APPLICATION LIST

NEBRASKA INVESTMENT FINANCE AUTHORITY
 LOW INCOME HOUSING TAX CREDIT PROGRAM
 (updated 9/28/2023)

| 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 |
|-------------------|--|---|---------|----------------|----------------|-----------------|---------------|--|------------------|--|-------------------|--------------------|-------------------|-------------------------|
| 7-1050 | The Stephen Center HERO Building 5217 S. 28th Street Omaha, NE 68107 | 5217 S 28th Street LLC 509 Walker Street Woodbine, IA 51579 Darin Smith: 712.647.3355 | Douglas | 64 | 64 | 0 | 1 | Rehab Metro Multifamily Special Needs | | NDED HTF - \$1,000,000 Deferred Developer Fee Owner Equity Special Member Community Support | \$ 8,294,687 | \$ 523,480 | \$ 523,480 | Category 3 |
| 7-1051 | 1904 Farnam 1904 Farnam Street Omaha, NE 68102 | 1904FarnamOwner, LLC 1901 Howard Street, Suite 300 Omaha, NE 68102 Neeraj Agarwal: 402.981.3735 | Douglas | 54 | 54 | 0 | 1 | Adaptive/Reuse Metro Multifamily | For Profit | Conventional Loan Historic Tax Credit Deferred Developer Fee Owner Equity PACE | \$ 23,106,667 | \$ 984,115 | \$ 984,115 | Category 2 |
| 7-1052 | Howard Street Rehab 1501 Howard St & 500 S 18th St Omaha, NE 68102 | HowardRehabOwner, LLC 1901 Howard Street, Suite 300 Omaha, NE 68102 Neeraj Agarwal: 402.981.3735 | Douglas | 56 | 56 | 0 | 2 | Adaptive/Reuse Metro Multifamily | For Profit | Conventional Loan Historic Tax Credit Deferred Developer Fee Owner Equity PACE | \$ 24,733,468 | \$ 777,350 | \$ 777,350 | Category 2 |
| 7-1053 | Purple Martin Apartments 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 Special Needs | Non-Profit | Deferred Developer Fee Owner Equity | \$ 15,071,278 | \$ 965,070 | \$ 965,070 | Category 2 |
| 7-1054 | The Poppleton Project (East) 2911 Poppleton Avenue Omaha, NE 68105 | inCOMMON Housing Dev Corp 1340 Park Avenue Omaha, NE 68105 Andrew Whealy: 402.933.6672 | Douglas | 51 | 51 | 0 | | New Construction Special Needs | | Conventional Loan HOME Funds - \$500,000 City HOME Funds Tax Increment Financing Owner's Note (ARPA) Deferred Developer Fee Owner Equity | \$ 17,165,844 | \$ 885,434 | \$ 885,434 | Category 3 |
| | Connection Homeless Shelter | | | | | | | | | | \$ - | \$ - | | Category 4 |
| | | | | 273 | 269 | 4 | 6 | | | | \$ 88,371,944 | \$ 4,135,450 | \$ 4,135,450 | |

NEBRASKA INVESTMENT FINANCE AUTHORITY
PRIVATE ACTIVITY CAP-ALLOCATION STATUS
CALENDAR YEAR **2023**

AS OF 10/20/23

| | 50% | | 20% | | 30% | 358,845,000 |
|-------------------------|--------------------------------------|--|----------------------|--------------------------------------|-----------------------------|------------------|
| | Statewide Housing Carryforward | Non Statewide Housing Carryforward | Statewide Housing | Ag/ IDB/ Non Statewide Housing | Governor's Discretionary | GRAND TOTAL |
| Beginning Allocation | 840,336,463.00 | 49,200,000.00 | 179,422,500.00 | 71,769,000.00 | 107,653,500.00 | 1,248,381,463.00 |
| Allocations To Date | (217,155,424.26) | (49,200,000.00) | 0.00 | (41,168,161.00) | 0.00 | (307,523,585.26) |
| Conditional Allocations | | | | 0.00 | | 0.00 |
| Ag Allocation Reserved | | | | (3,591,839.00) | | (3,591,839.00) |
| Category Transfers | | | | 40,000,000.00 | (40,000,000.00) | 0.00 |
| Balance Remaining | 623,181,038.74 | 0.00 | 179,422,500.00 | 67,009,000.00 | 67,653,500.00 | 937,266,038.74 |

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

| Ag/IDB/Non Statewide Housing & Non Statewide Housing Carryforward-Allocation Detail | | | | | | |
|---|----------------|---------|--------|---------------------------------|------------------|------------------|
| | AG n | IDB n | | MF | | Total |
| | Amount | Project | Amount | Project | Amount | |
| | | | 0.00 | cf Foxtail South-Lincoln | (16,500,000.00) | |
| | | | | cf Kennedy Sq East-Omaha | (13,700,000.00) | |
| | | | | cf Timbercreek -Omaha | (18,000,000.00) | |
| | | | | cf Southside Terrace-Omaha | (1,000,000.00) | |
| | | | | n Mural 226-Lincoln | (18,000,000.00) | |
| | | | | n Southside Terrace-Omaha | (14,200,000.00) | |
| | | | | n 18Howard-Omaha | (16,000,000.00) | |
| | | | | n Central Pk Towers/Burt Apts | (12,000,000.00) | |
| | | | | n Union at Antelope Vly-Lincoln | (19,560,000.00) | |
| Total Allocated | (1,408,161.00) | | 0.00 | | (128,960,000.00) | (130,368,161.00) |
| Ag Allocation Reserve | (3,591,839.00) | | 0.00 | | 0.00 | (3,591,839.00) |
| Total Used | (5,000,000.00) | | 0.00 | | (128,960,000.00) | (133,960,000.00) |
| n New Allocations | | | | | | (84,760,000.00) |
| ca Conditional Allocations | | | | | | - |
| cf MF Carryforward Allocations | | | | | | (49,200,000.00) |
| Total | | | | | | (133,960,000.00) |

| Ag/IDB/Non Statewide Housing-Allocation by Congressional District | | | | |
|---|----------------|------|------------------|------------------|
| District | AG | IDB | MF | Total |
| 1 | (602,061.00) | 0.00 | (54,060,000.00) | (54,662,061.00) |
| 2 | 0.00 | 0.00 | (74,900,000.00) | (74,900,000.00) |
| 3 | (806,100.00) | 0.00 | 0.00 | (806,100.00) |
| Total | (1,408,161.00) | 0.00 | (128,960,000.00) | (130,368,161.00) |

| CARRYFORWARD DETAIL | | | | |
|----------------------------|------------------|----------------|-----------------|------------------|
| Originated | 2020 | 2021 | 2022 | TOTAL |
| Expires | 2023 | 2024 | 2025 | |
| NIFA Single Family Housing | | | | |
| Beginning | 295,145,638.00 | 274,165,200.00 | 271,025,625.00 | 840,336,463.00 |
| Used | (217,155,424.26) | | 0.00 | (217,155,424.26) |
| Ending | 77,990,213.74 | 274,165,200.00 | 271,025,625.00 | 623,181,038.74 |
| NIFA Non Statewide Housing | | | | |
| Beginning | 0.00 | 0.00 | 49,200,000.00 | 49,200,000.00 |
| Used | 0.00 | 0.00 | (49,200,000.00) | (49,200,000.00) |
| Ending | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Issuers | | | | |
| Beginning | 0.00 | 6,000,000.00 | 0.00 | 6,000,000.00 |
| Used | 0.00 | 0.00 | 0.00 | 0.00 |
| Ending | 0.00 | 6,000,000.00 | 0.00 | 6,000,000.00 |

Financial Statements and Supplemental Data
June 30, 2023 and 2022

Nebraska Investment Finance Authority
With Independent Auditor's Report Thereon

DRAFT
10/11/23

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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 business-type activities of the Nebraska Investment Finance Authority (Authority) as of and for the years ended June 30, 2023 and 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 Authority, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years 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 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 \$114.1 million and \$65.5 million as of June 30, 2023 and 2022, respectively, and operating revenue and resulting change in net position would be reduced by \$48.6 million and \$141.6 million for the years ended June 30, 2023 and 2022, respectively.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 36 through 39 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 GAAS. 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 [REPORT DATE] on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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, 2023 and 2022. 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, 2023. 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.

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):

| | 2023 | 2022 | 2021 |
|--|--------------|--------------|--------------|
| Assets | | | |
| Investments | \$ 271,372 | \$ 151,729 | \$ 189,150 |
| Loans receivable | 1,553,068 | 1,304,386 | 1,272,134 |
| Other assets | 17,279 | 12,726 | 4,904 |
| Total assets | 1,841,719 | 1,468,841 | 1,466,188 |
| Deferred Outflows of Resources | | | |
| Accumulated decrease in fair value of hedging derivatives | - | 276 | 7,867 |
| Loss on refunding | 8,398 | 10,521 | 12,969 |
| Total deferred outflows of resources | 8,398 | 10,797 | 20,836 |
| Total assets and deferred outflows of resources | \$ 1,850,117 | \$ 1,479,638 | \$ 1,487,024 |
| Liabilities | | | |
| Bonds payable | \$ 1,364,105 | \$ 1,010,024 | \$ 1,017,034 |
| Interest payable | 13,875 | 9,469 | 9,428 |
| Other liabilities | 35,521 | 39,206 | 52,713 |
| Total liabilities | 1,413,501 | 1,058,699 | 1,079,175 |
| Deferred Inflows of Resources | | | |
| Accumulated increase in fair value of hedging derivatives | 11,607 | 7,636 | 249 |
| Swap up-front payment | 8,376 | 10,647 | 13,320 |
| Total deferred inflows of resources | 19,983 | 18,283 | 13,569 |
| Net Position | | | |
| Restricted by bond resolution | 335,385 | 322,065 | 311,306 |
| Unrestricted | 81,248 | 80,591 | 82,974 |
| Total net position | 416,633 | 402,656 | 394,280 |
| Total liabilities, deferred inflows of resources, and net position | \$ 1,850,117 | \$ 1,479,638 | \$ 1,487,024 |
| Change in Net Position | | | |
| Total revenue, primarily interest income | \$ 54,955 | \$ 39,881 | \$ 47,729 |
| Total expenses, primarily interest expense | 40,978 | 31,505 | 44,709 |
| Change in net position | \$ 13,977 | \$ 8,376 | \$ 3,020 |

2023 Analysis – Statements of Net Position

From June 30, 2022 to June 30, 2023, total assets increased \$372.9 million.

Investments – Increase of \$119.6 million

- An increase of \$87.5 million was related to bond proceeds on hand at June 30, 2023, from the June closing of the Authority's Single Family Housing Revenue Bonds 2023 Series C and D.
- An increase of \$35.2 million was due to a change from monthly bond calls to semi-annual bond calls after March 1, 2023, resulting in a larger accumulation of mortgage repayments at June 30, 2023, that were invested out to the next semiannual debt service date, September 1. Earnings on the investments also contributed to the increase.

Loans Receivable – Increase of \$248.7 million

- During fiscal year 2023, new loan purchases were \$378.8 million and loan repayments were \$130.0 million, compared to purchases of \$319.7 million and repayments of \$287.3 million in fiscal year 2022. Rising interest rates throughout fiscal year 2023 significantly slowed prepayments.
- The launch of a new single family loan program for non-first time homebuyers, the Welcome Home program, during fiscal year 2023 added \$73.6 million in new loan production.
- Rising home values resulted in an increase in the average loan amount (excluding the Welcome Home program loans) from \$167,800 in fiscal year 2022 to \$180,200 in fiscal year 2023. Based on 2023 loan production, the related increase to loans receivable is approximately \$20.3 million.

Fair Value of Derivatives – Increase of \$4.0 million

- The fair value of derivatives, which is dependent on the interest rate environment, is provided by an independent source. At June 30, 2023 and 2022, the Authority's derivatives, which are all interest rate swap agreements, had positive fair values due to their low fixed rates relative to current on-market rates. The rising interest rate environment has caused the fair values to increase.

From June 30, 2022 to June 30, 2023, total deferred outflows of resources decreased \$2.4 million.

Loss on Refunding – Decrease of \$2.1 million

- The Authority's debt refundings during fiscal year 2023 did not result in any new deferred losses. Amortization of deferred loss on refunding was \$2.1 million.

From June 30, 2022 to June 30, 2023, total liabilities increased \$354.8 million.

Bonds Payable – Increase of \$354.1 million

- To fund Single Family loan production, the Authority issued \$507 million (including premium) in single family program revenue bonds in fiscal year 2023.
- Total bond maturities and mandatory bond redemptions in fiscal year 2023 were \$146.6 million. Amortization of bond premium amortization was \$6.3 million.

Other Liabilities – Interest Payable – Increase of \$4.4 million

- Interest payable increased \$4.4 million from June 30, 2022 to June 30, 2023, due to the significant increase in bonds payable outstanding at fiscal year end, as well as an increase in the weighted average interest rate of the bond portfolio from June 30, 2022 to June 30, 2023.

Other Liabilities – Mortgage Subsidy Reserve – Decrease of \$3.0 million

- The Authority's single family indenture generated \$1.7 million in new subsidy and used \$4.7 million in subsidy during fiscal year 2023.

From June 30, 2022 to June 30, 2023, total deferred inflows of resources increased \$1.7 million.

Swap Upfront Payment – Decrease of \$2.3 million

- Amortization of swap up-front payment was \$2.3 million during fiscal year 2023.

Accumulated Increase in Fair Value of Hedging Derivatives – Increase of \$4.0 million

- See the related discussion of Fair Value of Derivatives above.

From June 30, 2022 to June 30, 2023, total net position increased \$14.0 million.

- The Authority's revenue less expenses for fiscal year 2023 resulted in an increase in total net position of \$14.0 million.

2023 Analysis – Statements of Revenue, Expenses, and Changes in Net Position

The Authority's change in net position for the year ended June 30, 2023, was \$14.0 million, an increase of \$5.6 million from the year ended June 30, 2022.

Operating Revenue – Increase of \$15.4 million

- Mortgage loan interest increased a total of \$9.0 million as the result of:
 - \$6.5 million increase related to the overall increase in size of in the mortgage loan portfolio as well as the weighted average mortgage interest rate of the portfolio,
 - \$3.0 million increase resulting from a larger adjustment to the mortgage subsidy reserve during the year, and
 - \$0.5 million decrease due to an increase in premiums paid on loans purchases for the year, which are offset against interest income.
- Net change in fair value of investments increased \$5.8 million as the result of the rising interest rate environment.

Operating Expenses – Increase of \$9.8 million

- Interest expense increased \$9.4 million due to:
 - \$11.6 million increase in bond interest related to the increase in bonds payable, as well as a higher weighted average bond interest rate,
 - \$2.2 million increase in bond issuance costs paid during the year related to larger and more bond issuances in fiscal year 2023 as compared to fiscal year 2022, and
 - \$4.4 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.
- General and administrative expenses increased \$1.0 million due to a combination of factors, including:
 - a smaller reclassification of operating expenses to grant expense,
 - reclassification of conference revenue to the revenue section in fiscal 2023 from offsetting conference expenses in fiscal year 2022,
 - cost of living salary adjustments,
 - increased employee health insurance costs, and
 - engaging a consultant to assist with the development of the Nebraska Strategic Housing Framework.
- Nebraska Opportunity Fund expenses decreased by \$0.6 million due to lower budgeted expenditures and a return to the Authority of \$0.3 million of rural workforce housing funds that had been awarded in fiscal year 2021.

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 unrestricted investments.
- A decrease of \$8.7 million in unrestricted investments 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 million 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 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 Single Family 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, which are offset against interest income.
- Fee and other income increased \$0.2 million as the result of the Healthy Housing, Healthy Communities (H3C) grant received from NCSHA, a new revenue source 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, and

- \$2.0 million decrease 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.

Long-Term Debt Activity

During fiscal years 2023 and 2022, the Authority issued Single Family program revenue bonds totaling \$506.9 million and \$238.4 million, respectively. Principal payments on bonds totaled \$146.6 million and \$239.2 million in fiscal years 2023 and 2022, respectively. Amortization of bond premium was \$(6.3 million) and \$(6.2 million) in fiscal years 2023 and 2022, 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, 2023 and 2022. 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.

Nebraska Investment Finance Authority
Statements of Net Position
(Dollars in Thousands)
June 30, 2023 and 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash | \$ 557 | \$ 1,198 |
| Investments | 80,841 | 84,111 |
| Interest receivable | 20 | 3 |
| Loans receivable | 211 | 66 |
| Other current assets | 223 | 250 |
| Restricted assets: | | |
| Cash | 4 | 6 |
| Investments | 56,282 | 46,697 |
| Interest receivable | - | 12 |
| Total current assets | <u>138,138</u> | <u>132,343</u> |
| Noncurrent Assets: | | |
| Loans receivable | 4,028 | 129 |
| Restricted assets: | | |
| Investments | 134,249 | 20,921 |
| Interest receivable | 4,677 | 3,349 |
| Loans receivable | 1,548,829 | 1,304,191 |
| Fair value of derivatives | 11,607 | 7,636 |
| Other assets | 191 | 272 |
| Total noncurrent assets | <u>1,703,581</u> | <u>1,336,498</u> |
| Total assets | <u>1,841,719</u> | <u>1,468,841</u> |
| Deferred Outflows of Resources | | |
| Accumulated decrease in fair value of hedging derivatives | - | 276 |
| Loss on refunding | 8,398 | 10,521 |
| Total deferred outflows of resources | <u>8,398</u> | <u>10,797</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 1,850,117</u> | <u>\$ 1,479,638</u> |

Nebraska Investment Finance Authority

Statements of Net Position

(Dollars in Thousands)

June 30, 2023 and 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| Liabilities | | |
| Current Liabilities: | | |
| Accrued liabilities | \$ 1,323 | \$ 1,968 |
| Interest payable | 13,875 | 9,469 |
| Current portion of bonds payable | 42,215 | 37,190 |
| Total current liabilities | 57,413 | 48,627 |
| Noncurrent Liabilities: | | |
| Unearned revenue | 3,781 | 3,546 |
| Fair value of derivatives | - | 276 |
| Bonds payable, net of current portion | 1,321,890 | 972,834 |
| Mortgage subsidy reserve | 30,417 | 33,416 |
| Total noncurrent liabilities | 1,356,088 | 1,010,072 |
| Total liabilities | 1,413,501 | 1,058,699 |
| Deferred Inflows of Resources | | |
| Accumulated increase in fair value of hedging derivatives | 11,607 | 7,636 |
| Swap up-front payment | 8,376 | 10,647 |
| Total deferred inflows of resources | 19,983 | 18,283 |
| Net Position | | |
| Restricted by bond resolution | 335,385 | 322,065 |
| Unrestricted | 81,248 | 80,591 |
| Total net position | 416,633 | 402,656 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 1,850,117 | \$ 1,479,638 |

Nebraska Investment Finance Authority
Statements of Revenues, Expenses and Changes in Net Position
(Dollars in Thousands)
For the Years Ending June 30, 2023 and 2022

| | 2023 | 2022 |
|--|------------|------------|
| Operating Revenue: | | |
| Interest income: | | |
| Loans | \$ 46,199 | \$ 37,206 |
| Investments | 444 | 12 |
| Net increase (decrease) in fair value of investments | 5,690 | (118) |
| Fees and other income | 2,489 | 2,329 |
| Total operating revenue | 54,822 | 39,429 |
| Operating Expenses: | | |
| Interest | 33,225 | 23,774 |
| General and administrative | 7,421 | 6,460 |
| Nebraska Opportunity Fund | 199 | 819 |
| Total operating expenses | 40,845 | 31,053 |
| Non-Operating Revenue and Expense: | | |
| Federal grant revenue | 133 | 452 |
| Federal grant expense | (133) | (452) |
| Net non-operating revenue and expense | - | - |
| Change in Net Position | 13,977 | 8,376 |
| Net Position, Beginning of Year | 402,656 | 394,280 |
| Net Position, End of Year | \$ 416,633 | \$ 402,656 |

Nebraska Investment Finance Authority

Statements of Cash Flows

(Dollars in Thousands)

For the Years Ending June 30, 2023 and 2022

| | 2023 | 2022 |
|---|--------------|--------------|
| Cash Flows from Operating Activities: | | |
| Purchase of loans | \$ (378,817) | \$ (319,712) |
| Principal repayments received on loans | 130,011 | 287,292 |
| Interest received on loans | 42,002 | 37,434 |
| Fees and program income received | 2,771 | 2,730 |
| Federal grant revenue received | 133 | 452 |
| Payments for salaries and employee benefits | (3,594) | (3,735) |
| Payments for general and administrative costs | (4,718) | (9,407) |
| Payments for Nebraska Opportunity Fund | (92) | (819) |
| Net cash used in operating activities | (212,304) | (5,765) |
| Cash Flows from Noncapital Financing Activities: | | |
| Proceeds from sale of bonds | 506,949 | 238,428 |
| Repayment of bonds | (146,607) | (239,234) |
| Debt issuance costs paid | (4,117) | (1,909) |
| Interest paid | (31,111) | (28,253) |
| Net cash provided by (used in) noncapital financing activities | 325,114 | (30,968) |
| Cash Flows from Investing Activities: | | |
| Interest received on investments | 412 | 5 |
| Proceeds from sales, maturities, and calls of investments | 819,960 | 1,027,107 |
| Purchase of investments | (933,825) | (989,831) |
| Net cash (used in) provided by investing activities | (113,453) | 37,281 |
| Net (Decrease) Increase in Cash | (643) | 548 |
| Cash, Beginning of Year | 1,204 | 656 |
| Cash, End of Year | \$ 561 | \$ 1,204 |
| Reconciliation of Operating Income to Net Cash used in Operating Activities: | | |
| Operating income | \$ 13,977 | \$ 8,376 |
| Adjustments to reconcile operating income to net cash used in operating activities: | | |
| Purchase of loans | (378,817) | (319,712) |
| Principal repayments received on loans | 130,011 | 287,292 |
| Interest received on investments | (412) | (5) |
| Interest expense | 33,225 | 23,774 |
| (Increase) decrease in fair value of investments | (5,690) | 118 |
| Amortization and other income, net | 103 | 202 |
| (Increase) decrease in interest receivable | (1,333) | 118 |
| (Increase) decrease in prepaid expenses | 41 | (12) |
| Decrease in other liabilities | (3,409) | (5,916) |
| Net cash used in operating activities | \$ (212,304) | \$ (5,765) |

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 does not have a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for restricted purposes.

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 \$1,402.9 million and \$1,210.2 million, respectively, compared to amortized cost of \$1,518.6 million and \$1,276.7 million at June 30, 2023 and 2022, 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 \$49.2 million and \$140.5 million for the years ended June 30, 2023 and 2022, respectively, decreasing operating revenue and change in net position by those amounts. Net position should have been decreased by the cumulative unrealized losses on the securitized mortgage loans of \$115.7 million and \$66.5 million at June 30, 2023 and 2022, respectively. Interest earned on securitized mortgage loans totaling \$45.9 million and \$37.0 million for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, the Authority had committed to purchase additional single family securitized mortgage loans totaling \$128.2 million and \$79.3 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 \$1.6 million and \$1.0 million at June 30, 2023 and 2022, respectively, in its statements of net position. As the commitments are considered investment derivative instruments, the changes in fair value should be reported as decreases to operating revenue of \$(0.6 million) and \$(1.1 million) for the years ended June 30, 2023 and 2022, respectively, in its statements of revenue, expenses, and changes in net position. In the fair value hierarchy, the commitments are valued using Level 3 inputs.

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.

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 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 (Level 1) are valued at the daily closing price.
- Money market mutual funds (Level 1) 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.

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, 2023, the Authority adopted GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. 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. The adoption of GASB Statement No. 96 did not have a material effect on the Authority's financial statements and disclosures.

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 \$0.6 million and \$1.2 million as of June 30, 2023 and 2022, respectively, and a bank balance of \$0.8 million and \$1.3 million as of June 30, 2023 and 2022, respectively. None of the deposits were uninsured and uncollateralized.

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2023 and 2022

Investments

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

| | 2023 | 2022 |
|-------------------------------------|-------------------|-------------------|
| Unrestricted investments (current) | \$ 80,841 | \$ 84,111 |
| Restricted investments (current) | 56,282 | 46,697 |
| Restricted investments (noncurrent) | 134,249 | 20,921 |
| | <u>\$ 271,372</u> | <u>\$ 151,729</u> |

The net change in fair value of investments was an increase (decrease) of \$5.7 million and \$(118,000) for the years ended June 30, 2023 and 2022, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. At June 30, 2023 and 2022, the Authority had net unrealized losses not yet recorded as part of the net change in fair value, of approximately \$114,000 and \$474,000, 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, 2023, the Authority had the following investments and maturities (dollars in thousands):

| Investment Type | Carrying Value | 2023 | | | |
|--------------------------------------|-------------------|----------------------------------|-------------|-------------|--------------|
| | | Investment Maturities (in years) | | | |
| | | Less than 1 | 1–5 | 6–10 | More than 10 |
| U.S. Treasury securities | \$ 175,041 | \$ 175,041 | \$ - | \$ - | \$ - |
| U.S. government agency securities | 87,607 | 87,607 | - | - | - |
| Collateralized repurchase agreements | 495 | 495 | - | - | - |
| Money market mutual funds | 8,229 | 8,229 | - | - | - |
| | <u>\$ 271,372</u> | <u>\$ 271,372</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2023 and 2022

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> |

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, 2023 and 2022. 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 \$0.5 million and \$0.7 million at June 30, 2023 and 2022, 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, 2023 and 2022, the Authority had greater than 5% of its investment balance with the following issuers:

| Issuer | 2023 | 2022 |
|------------------------|-------|-------|
| Federal Home Loan Bank | 26.2% | 16.3% |
| Wells Fargo | 3.2% | 6.5% |
| Fannie Mae | 6.0% | 0.0% |

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2023 and 2022

The Authority's investments have the following recurring fair value measurements as of June 30, 2023 and 2022:

| Investments by Fair Value Level | June 30, 2023 | | | |
|---------------------------------------|------------------------------|-------------------|------------------|-------------|
| | Fair Value Measurement Using | | | |
| | Total Fair Value | (Level 1) | (Level 2) | (Level 3) |
| Debt securities: | | | | |
| U.S. Treasury securities | \$ 175,041 | \$ 175,041 | \$ - | \$ - |
| U.S. government agency securities | 87,607 | - | 87,607 | - |
| Collateralized repurchase agreements | 495 | 495 | - | - |
| Money market mutual funds | 8,229 | 8,229 | - | - |
| Total investments by fair value level | <u>\$ 271,372</u> | <u>\$ 183,765</u> | <u>\$ 87,607</u> | <u>\$ -</u> |
| Investments by Fair Value Level | June 30, 2022 | | | |
| | Fair Value Measurement Using | | | |
| | 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> |

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 \$30.4 million and \$33.4 million at June 30, 2023 and 2022, respectively, is net of the amount passed through to borrowers in the form of lower mortgage interest rates.

The following table reconciles the mortgage subsidy reserve for the years ended June 30, 2023 and 2022, (dollars in thousands):

| | 2023 | 2022 |
|----------------------------|------------------|------------------|
| Balance, Beginning of Year | \$ 33,416 | \$ 33,515 |
| Savings realized | 1,735 | 2,676 |
| Savings used | (4,734) | (2,775) |
| Balance, End of Year | <u>\$ 30,417</u> | <u>\$ 33,416</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 51%, 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, 2023 and 2022, are HBA Program second mortgage balances totaling \$26.0 million and \$20.6 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, 2023 and 2022, are Habitat loan balances totaling \$8.4 million and \$6.8 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, 2023 and 2022, 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.

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2023 and 2022

At June 30, 2023 and 2022, bonds outstanding are as follows (dollars in thousands):

| Description and Maturity | Principal Outstanding | | Interest Terms |
|----------------------------------|-----------------------|--------------|--|
| | 2023 | 2022 | |
| * 2013 Series AB, due 2023–2043 | \$ - | \$ 28,640 | Redeemed in 2023 |
| * 2013 Series CD, due 2027–2028 | - | 10,260 | Redeemed in 2023 |
| * 2013 Series EF: | | | |
| E (fixed rate), due 2023–2024 | 2,455 | 3,670 | 3.50%–3.65%, payable semiannually |
| F (variable rate), due 2023–2038 | 15,005 | 19,985 | Var. rate demand, payable semiannually |
| * 2014 Series AB: | | | |
| A (fixed rate), due 2023–2044 | 3,435 | 5,955 | 2.80%–4.00%, payable semiannually |
| B (variable rate), due 2023–2038 | 20,320 | 21,160 | Var. rate demand, payable semiannually |
| * 2015 Series AB: | | | |
| A (fixed rate), due 2037–2045 | 8,160 | 11,065 | 3.50%–3.85%, payable semiannually |
| B (variable rate), due 2023–2038 | 15,765 | 16,420 | Var. rate demand, payable semiannually |
| * 2015 Series CD: | | | |
| C (fixed rate), due 2036–2045 | 3,715 | 7,150 | 3.50%, payable semiannually |
| D (variable rate), due 2023–2032 | 12,720 | 13,735 | Var. rate demand, payable semiannually |
| * 2016 Series AB: | | | |
| A (fixed rate), due 2023–2046 | 24,085 | 27,620 | 2.15%–3.50%, payable semiannually |
| B (variable rate), due 2023–2032 | 12,950 | 13,985 | Var. rate demand, payable semiannually |
| * 2016 Series CD: | | | |
| C (fixed rate), due 2023–2046 | 14,000 | 18,545 | 1.90%–3.50%, payable semiannually |
| D (variable rate), due 2023–2032 | 8,650 | 21,500 | Var. rate demand, payable semiannually |
| * 2017 Series ABC: | | | |
| AB (fixed rate), due 2023–2040 | 14,945 | 19,690 | 1.75%–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 2023–2048 | 14,055 | 18,620 | 2.35%–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 2023–2048 | 33,915 | 43,865 | 2.25%–4.00%, payable semiannually |
| D (variable rate), due 2037–2048 | 14,115 | 14,115 | Var. rate demand, payable semiannually |
| * 2019 Series ABC: | | | |
| AB (fixed rate), due 2023–2049 | 29,940 | 36,795 | 1.95%–4.00%, payable semiannually |
| C (variable rate), due 2035–2049 | 41,045 | 41,045 | Var. rate demand, payable semiannually |
| * 2019 Series DE, due 2023–2049 | 64,585 | 74,135 | 1.60%–3.75%, payable semiannually |
| * 2020 Series A, due 2023–2050 | 96,650 | 102,980 | 1.00%–3.50%, payable semiannually |
| * 2020 Series BC, due 2023–2050 | 72,965 | 76,970 | 0.80%–3.00%, payable semiannually |
| * 2021 Series AB: | | | |
| A (fixed rate), due 2023–2045 | 59,960 | 64,770 | 0.30%–3.00%, payable semiannually |
| B (variable rate), due 2045–2050 | 20,000 | 20,000 | Var. rate demand, payable semiannually |
| * 2021 Series C, due 2023–2050 | 120,515 | 126,495 | 1.55%–5.00%, payable semiannually |
| * 2022 Series ABC: | | | |
| AB (fixed rate), due 2023–2052 | 71,860 | 75,440 | 2.05%–5.00%, payable semiannually |
| C (variable rate), due 2036–2051 | 20,000 | 20,000 | Var. rate demand, payable semiannually |
| * 2022 Series DE: | | | |
| D (fixed rate), due 2023–2040 | 85,470 | - | 1.95%–4.35%, payable semiannually |
| E (variable rate), due 2040–2049 | 48,690 | - | Var. rate demand, payable semiannually |
| * 2022 Series FG, due 2023–2052 | 78,525 | - | 3.80%–5.50%, payable semiannually |
| * 2023 Series AB, due 2023–2053 | 130,000 | - | 3.50%–5.58%, payable semiannually |
| * 2023 Series CD, due 2024–2053 | 156,600 | - | 3.60%–5.51%, payable semiannually |
| 2011 Series 1, due 2040–2041 | - | 4,622 | Redeemed in 2023 |
| Total principal outstanding | 1,342,915 | 987,052 | |
| Unamortized premium | 21,190 | 22,972 | |
| Total bonds payable | \$ 1,364,105 | \$ 1,010,024 | |

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Notes to the Financial Statements

June 30, 2023 and 2022

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. 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. Optional redemptions of variable rate bonds are allowed at any time at par.

Variable Rate Interest Terms: 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, 2023 and 2022, and amounts due within one year (dollars in thousands):

| | 2023 | 2022 |
|----------------------|---------------------|---------------------|
| Beginning of Year | \$ 1,010,024 | \$ 1,017,034 |
| Issuance | 506,949 | 238,428 |
| Retirement | (146,607) | (239,234) |
| Premium amortization | (6,261) | (6,204) |
| End of Year | <u>\$ 1,364,105</u> | <u>\$ 1,010,024</u> |
| Due Within One Year | <u>\$ 42,215</u> | <u>\$ 37,190</u> |

Debt Service Requirements: Debt service requirements annually through 2028, and in five-year increments thereafter to maturity, are as follows (dollars in thousands):

| Year(s) Ended June 30, | Principal | Interest | Total Debt Service |
|---------------------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 42,215 | \$ 47,188 | \$ 89,403 |
| 2025 | 34,930 | 48,642 | 83,572 |
| 2026 | 28,100 | 47,657 | 75,757 |
| 2027 | 27,395 | 46,700 | 74,095 |
| 2028 | 27,045 | 45,738 | 72,783 |
| 2029–2033 | 171,630 | 211,842 | 383,472 |
| 2034–2038 | 242,530 | 178,104 | 420,634 |
| 2039–2043 | 271,875 | 133,035 | 404,910 |
| 2044–2048 | 332,210 | 74,953 | 407,163 |
| 2049–2053 | 155,675 | 17,984 | 173,659 |
| 2054–2058 | 9,310 | 243 | 9,553 |
| Principal and interest payments | <u>\$ 1,342,915</u> | <u>\$ 852,086</u> | <u>\$ 2,195,001</u> |

Variable Rate Demand Bonds: Included in bonds payable are \$257.1 million and \$229.8 million at June 30, 2023 and 2022, 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 a spread ranging from 2.115% to 2.345%, not to exceed 25%, and interest is payable monthly. The SBPAs have terms ranging from two to five 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, 2024, to September 1, 2028. 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, 2023, due to a failed remarketing on the entire amount of outstanding demand bonds of \$257.1 million, the Authority would be required to make semiannual principal payments of \$25.7 million for the next five years, and interest payments totaling \$55.3 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 0.25% to 0.28% 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.

As of June 30, 2023 and 2022, the principal amount of conduit debt outstanding, by type, was:

| | 2023 | 2022 |
|--------------|------------------|------------------|
| Agricultural | \$ 20,571 | \$ 20,442 |
| Multifamily | 50,679 | 42,282 |
| | <u>\$ 71,250</u> | <u>\$ 62,724</u> |

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.

On August 2, 2022, the Authority issued \$137.0 million of Single Family Housing Revenue Bonds 2022 Series D and E. Proceeds of certain of the bonds (the Refunding Bonds) totaling \$37.0 million were used to refund a portion of the 2013 Series A Bonds and 2013 Series C Bonds (collectively, the Refunded Bonds). The refunding decreases the Authority's debt costs by shortening the structure, reducing total debt service payments by approximately \$340,000. 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 \$383,000.

On November 22, 2022, the Authority issued \$78.9 million of Single Family Housing Revenue Bonds 2022 Series F and G. Proceeds of certain of the bonds (the Refunding Bonds) totaling \$15.0 million were used to refund a portion of the 2013 Series F Bonds and 2016 Series D Bonds (collectively, the Refunded Bonds). The refunding increases the Authority's total debt service payments by approximately \$68,000. 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 loss of approximately \$819,000. The refunding resulted in a deferred loss of \$901,500 in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, which requires that, for current refundings of prior refundings, any unamortized deferred loss from the prior refunding should be deferred and amortized over the shorter of the original amortization period remaining or the life of the refunding bonds.

The Authority completed the refundings primarily to provide more flexibility to manage the Single Family Program and related yield requirements under the IRC. There are sufficient assets in the 1994 Single Family Indenture that are not pledged to the payment of specific bonds to absorb any increases in debt service resulting from the refundings. Alternatively, 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, 2023, 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% | A/A1/AA- |
| 2013 F | 12/29/2010 | 3/1/2038 | 3.945 | SIFMA + 0.12% | AA-/A1/AA- |
| 2014 B / 2015 B | 12/22/2010 | 9/1/2038 | 3.942 | SIFMA + 0.12% | BBB+/Baa1/A |
| 2015 D / 2016 B / 2016 D | 12/29/2010 | 9/1/2032 | 3.889 | SIFMA + 0.22% | AA-/A1/AA- |
| 2019 C | 4/30/2019 | 9/1/2049 (1) | 2.342 | SIFMA(1) | A/A1/AA- |
| 2021 B | 2/23/2021 | 9/1/2041 (2) | 1.631 | SIFMA | AA-/A1/AA- |
| 2022 C | 6/1/2022 | 9/1/2041 (3) | 2.019 | SIFMA (3) | AA-/A1/AA- |
| 2022 E | 8/2/2022 | 3/1/2033 | 2.196 | 70% SOFR + 0.10% | A/A1/AA- |

* Standard & Poor's/Moody's/Fitch ratings as of June 30, 2023

(1) Swap variable rate changes to 70% of SOFR 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

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Notes to the Financial Statements

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At June 30, 2022, 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-/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 SOFR 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

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, 2023 and 2022, 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, 2023, and change in fair value for the years then ended are as follows (dollars in thousands):

| Bond series: | 2023 | | | |
|-----------------------------------|------------------|---------------------|---------------------|----------------------|
| | Current Notional | Contract Fair Value | Financial Statement | |
| | | | Fair Value | Change in Fair Value |
| 2017 C / 2018 B / 2018 D / 2019 C | \$ 36,835 | \$ (814) | \$ 1,340 | \$ 453 |
| 2013 F | 14,350 | (401) | 494 | 297 |
| 2014 B / 2015 B | 26,605 | (723) | 1,334 | 425 |
| 2015 D / 2016 B / 2016 D | 24,035 | (293) | 1,206 | 143 |
| 2019 C | 19,350 | 1,420 | 1,420 | 589 |
| 2021 B | 15,000 | 2,920 | 2,920 | 401 |
| 2022 C | 15,000 | 1,694 | 1,694 | 464 |
| 2022 E | 48,690 | 1,199 | 1,199 | 1,475 |
| Total | \$ 199,865 | \$ 5,002 | \$ 11,607 | \$ 4,247 |

Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2023 and 2022

Fair values, excluding accrued interest, as of June 30, 2022, 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> |

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, 2023, for the life of the bonds and swaps. As interest rates vary, variable rate bond interest, and net swap payments will also vary, inversely.

| | Variable Rate Bond Payments | | Swap Net Payment (Receipt) | Total Payments |
|---------------|-----------------------------|-------------------|-------------------------------|-------------------|
| | Principal | Interest | | |
| Fiscal years: | | | | |
| 2024 | \$ 5,100 | \$ 9,687 | \$ (1,426) | \$ 13,361 |
| 2025 | 5,400 | 10,079 | (1,691) | 13,788 |
| 2026 | 5,710 | 9,880 | (1,570) | 14,020 |
| 2027 | 6,045 | 9,645 | (1,445) | 14,245 |
| 2028 | 6,410 | 9,418 | (1,347) | 14,481 |
| 2029–2033 | 34,545 | 42,791 | (5,530) | 71,806 |
| 2034–2038 | 33,400 | 36,308 | (4,788) | 64,920 |
| 2039–2043 | 53,555 | 28,503 | (3,191) | 78,867 |
| 2044–2048 | 81,980 | 14,638 | (571) | 96,047 |
| 2049–2053 | 24,935 | 1,302 | (44) | 26,193 |
| | <u>\$ 257,080</u> | <u>\$ 172,251</u> | <u>\$ (21,603)</u> | <u>\$ 407,728</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 four contracts, with two separate counterparties, with a positive fair value totaling \$7.2 million at June 30, 2023, and three contracts, with two separate counterparties, with a positive fair value of \$4.6 million at June 30, 2022. 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, 2023 and 2022, 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. The interest rates on the variable rate bonds ranged from 4.00% to 4.07% as of June 30, 2023, and from 0.95% to 1.00% as of June 30, 2022. As of June 30, 2023 and 2022, the SIFMA index was 4.01% and 0.91%, respectively. As of June 30, 2023 and 2022, the SOFR index was 5.09% and 1.50%, respectively.

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 nine to eighteen 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, 2023 and 2022; 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 \$202,000 and \$221,000 for the fiscal years ending June 30, 2023 and 2022, 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 years ended June 30, 2023 and 2022, is presented below (dollars in thousands):

| | 2023 | | 2022 | | |
|---------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|
| | Single Family 1994 Indenture | Single Family GNMA MBS Indenture | Single Family 1994 Indenture | Single Family GNMA MBS Indenture | Single Family 2009 Indenture |
| Current assets | \$ 56,175 | \$ - | \$ 46,678 | \$ 13 | \$ - |
| Other assets | 1,699,387 | - | 1,331,476 | 4,625 | - |
| Total assets | 1,755,562 | - | 1,378,154 | 4,638 | - |
| Deferred outflows of resources | 8,398 | - | 10,797 | - | - |
| Current liabilities | 56,285 | - | 46,702 | 13 | - |
| Noncurrent liabilities | 1,352,307 | - | 1,001,904 | 4,622 | - |
| Total liabilities | 1,408,592 | - | 1,048,606 | 4,635 | - |
| Deferred inflows of resources | 19,983 | - | 18,283 | - | - |
| Restricted net position | \$ 335,385 | \$ - | \$ 322,062 | \$ 3 | \$ - |
| Operating revenues | \$ 49,462 | \$ 98 | \$ 36,813 | \$ 210 | \$ 54 |
| Operating expenses | 34,374 | 78 | 24,652 | 183 | 58 |
| Operating income | 15,088 | 20 | 12,161 | 27 | (4) |
| Transfers in (out) | (1,765) | (23) | 2,774 | (28) | (4,171) |
| Change in net position | 13,323 | (3) | 14,935 | (1) | (4,175) |
| Beginning net position | 322,062 | 3 | 307,127 | 4 | 4,175 |
| Ending net position | \$ 335,385 | \$ - | \$ 322,062 | \$ 3 | \$ - |
| Net cash provided by (used in): | | | | | |
| Operating activities | \$ (210,898) | \$ 4,712 | \$ (31,335) | \$ 1,540 | \$ 17,492 |
| Noncapital financing activities | 329,827 | (4,713) | (9,888) | (1,540) | (19,540) |
| Investing activities | (118,931) | 1 | 41,229 | - | 2,048 |
| Net increase (decrease) in cash | (2) | - | 6 | - | - |
| Beginning cash | 6 | - | - | - | - |
| Ending cash | \$ 4 | \$ - | \$ 6 | \$ - | \$ - |

Note 12 - Subsequent Events

On August 3, 2023, the Authority issued \$110.1 million of 2023 Series F and G 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.

DRAFT
10/11/23

Supplementary Information
June 30, 2023 and 2022

Nebraska Investment Finance Authority

DRAFT
10/11/23

Nebraska Investment Finance Authority
Supplemental Asset and Liability Information – All Divisions
(Dollars in Thousands)
June 30, 2023 and 2022

| | Division | | | |
|--|--------------------------|-----------|--------------|--------------|
| | Single Family Finance | Operating | 2023 Total | 2022 Total |
| Assets | | | | |
| Current Assets: | | | | |
| Cash | \$ - | \$ 557 | \$ 557 | \$ 1,198 |
| Investments | - | 80,841 | 80,841 | 84,111 |
| Interest receivable | - | 20 | 20 | 3 |
| Loans receivable | - | 211 | 211 | 66 |
| Other current assets | (111) | 334 | 223 | 250 |
| Restricted assets: | | | | |
| Cash | 4 | - | 4 | 6 |
| Investments | 56,282 | - | 56,282 | 46,697 |
| Interest receivable | - | - | - | 12 |
| Total current assets | 56,175 | 81,963 | 138,138 | 132,343 |
| Noncurrent Assets: | | | | |
| Loans receivable | - | 4,028 | 4,028 | 129 |
| Restricted assets: | | | | |
| Investments | 134,249 | - | 134,249 | 20,921 |
| Interest receivable | 4,677 | - | 4,677 | 3,349 |
| Loans receivable | 1,548,829 | - | 1,548,829 | 1,304,191 |
| Fair value of derivatives | 11,607 | - | 11,607 | 7,636 |
| Other assets | 25 | 166 | 191 | 272 |
| Total noncurrent assets | 1,699,387 | 4,194 | 1,703,581 | 1,336,498 |
| Total assets | 1,755,562 | 86,157 | 1,841,719 | 1,468,841 |
| Deferred Outflows of Resources | | | | |
| Accumulated decrease in fair value of hedging derivatives | - | - | - | 276 |
| Loss on refunding | 8,398 | - | 8,398 | 10,521 |
| Total deferred outflows of resources | 8,398 | - | 8,398 | 10,797 |
| Total Assets and Deferred Outflows | \$ 1,763,960 | \$ 86,157 | \$ 1,850,117 | \$ 1,479,638 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accrued liabilities | \$ 195 | \$ 1,128 | \$ 1,323 | \$ 1,968 |
| Interest payable | 13,875 | - | 13,875 | 9,469 |
| Current portion of bonds payable | 42,215 | - | 42,215 | 37,190 |
| Total current liabilities | 56,285 | 1,128 | 57,413 | 48,627 |
| Noncurrent Liabilities: | | | | |
| Unearned revenue | - | 3,781 | 3,781 | 3,822 |
| Bonds payable, net of current portion | 1,321,890 | - | 1,321,890 | 972,834 |
| Mortgage subsidy reserve | 30,417 | - | 30,417 | 33,416 |
| Total noncurrent liabilities | 1,352,307 | 3,781 | 1,356,088 | 1,010,072 |
| Total liabilities | 1,408,592 | 4,909 | 1,413,501 | 1,058,699 |
| Deferred Inflows of Resources | | | | |
| Accumulated increase in fair value of hedging derivatives | 11,607 | - | 11,607 | 7,636 |
| Swap up-front payment | 8,376 | - | 8,376 | 10,647 |
| Total deferred inflows of resources | 19,983 | - | 19,983 | 18,283 |
| Net Position | | | | |
| Restricted by bond resolution | 335,385 | - | 335,385 | 322,065 |
| Unrestricted | - | 81,248 | 81,248 | 80,591 |
| Total net position | 335,385 | 81,248 | 416,633 | 402,656 |
| Total Liabilities, Deferred Inflows and Net Position | \$ 1,763,960 | \$ 86,157 | \$ 1,850,117 | \$ 1,479,638 |

See Independent Auditor's Report

Nebraska Investment Finance Authority
Supplemental Asset and Liability Information – Single Family Finance Division
(Dollars in Thousands)
June 30, 2023 and 2022

| | Single Family 1994 Indenture | Single Family GNMA MBS Indenture | Single Family Finance | |
|--|------------------------------------|--|-----------------------|--------------|
| | | | 2023 Total | 2022 Total |
| Assets | | | | |
| Current Assets: | | | | |
| Other Current Assets | \$ (111) | \$ - | \$ (111) | \$ (24) |
| Restricted assets: | | | | |
| Cash | 4 | - | 4 | 6 |
| Investments | 56,282 | - | 56,282 | 46,697 |
| Interest receivable | - | - | - | 12 |
| Total current assets | 56,175 | - | 56,175 | 46,691 |
| Noncurrent Assets: | | | | |
| Restricted assets: | | | | |
| Investments | 134,249 | - | 134,249 | 20,921 |
| Interest receivable | 4,677 | - | 4,677 | 3,349 |
| Loans receivable | 1,548,829 | - | 1,548,829 | 1,304,191 |
| Fair value of derivatives | 11,607 | - | 11,607 | 7,636 |
| Other assets | 25 | - | 25 | 4 |
| Total noncurrent assets | 1,699,387 | - | 1,699,387 | 1,336,101 |
| Total assets | 1,755,562 | - | 1,755,562 | 1,382,792 |
| Deferred Outflows of Resources | | | | |
| Accumulated decrease in fair value of hedging derivatives | - | - | - | 276 |
| Loss on refunding | 8,398 | - | 8,398 | 10,521 |
| Total deferred outflows of resources | 8,398 | - | 8,398 | 10,797 |
| Total assets and deferred outflows | \$ 1,763,960 | \$ - | \$ 1,763,960 | \$ 1,393,589 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accrued liabilities | \$ 195 | \$ - | \$ 195 | \$ 56 |
| Interest payable | 13,875 | - | 13,875 | 9,469 |
| Current portion of bonds payable | 42,215 | - | 42,215 | 37,190 |
| Total current liabilities | 56,285 | - | 56,285 | 46,715 |
| Noncurrent Liabilities: | | | | |
| Fair value of derivatives | - | - | - | 276 |
| Bonds payable, net of current portion | 1,321,890 | - | 1,321,890 | 972,834 |
| Mortgage subsidy reserve | 30,417 | - | 30,417 | 33,416 |
| Total noncurrent liabilities | 1,352,307 | - | 1,352,307 | 1,006,526 |
| Total liabilities | 1,408,592 | - | 1,408,592 | 1,053,241 |
| Deferred Inflows of Resources | | | | |
| Accumulated increase in fair value of hedging derivatives | 11,607 | - | 11,607 | 7,636 |
| Swap up-front payment | 8,376 | - | 8,376 | 10,647 |
| Total deferred inflows of resources | 19,983 | - | 19,983 | 18,283 |
| Net Position | | | | |
| Restricted by bond resolution | 335,385 | - | 335,385 | 322,065 |
| Total Liabilities, Deferred Inflows and Net Position | \$ 1,763,960 | \$ - | \$ 1,763,960 | \$ 1,393,589 |

Nebraska Investment Finance Authority
Supplemental Revenue and Expense Information – All Divisions
(Dollars in Thousands)
For the Years Ending June 30, 2023 and 2022

| | Division | | | |
|---|--------------------------|-----------|------------|------------|
| | Single Family Finance | Operating | 2023 Total | 2022 Total |
| Operating Revenue: | | | | |
| Interest income: | | | | |
| Loans | \$ 45,641 | \$ 558 | \$ 46,199 | \$ 37,206 |
| Investments | 359 | 85 | 444 | 12 |
| Net increase (decrease) in fair value of investments | 3,560 | 2,130 | 5,690 | (118) |
| Fees and other income | - | 2,489 | 2,489 | 2,329 |
| Total operating revenue | 49,560 | 5,262 | 54,822 | 39,429 |
| Operating Expenses: | | | | |
| Interest | 33,225 | - | 33,225 | 23,774 |
| General and administrative | 1,227 | 6,194 | 7,421 | 6,460 |
| Nebraska Opportunity Fund | - | 199 | 199 | 819 |
| Total operating expenses | 34,452 | 6,393 | 40,845 | 31,053 |
| Non-Operating Revenue and Expense: | | | | |
| Federal grant revenue | - | 133 | 133 | 452 |
| Federal grant expense | - | (133) | (133) | (452) |
| Net non-operating | - | - | - | - |
| Change in Net Position | 15,108 | (1,131) | 13,977 | 8,376 |
| Internal transfers | (1,788) | 1,788 | - | - |
| Net Position, Beginning of Year | 322,065 | 80,591 | 402,656 | 394,280 |
| Net Position, End of Year | \$ 335,385 | \$ 81,248 | \$ 416,633 | \$ 402,656 |

Nebraska Investment Finance Authority
Supplemental Revenue and Expense Information – Single Family Finance Division
(Dollars in Thousands)
For the Years Ending June 30, 2023 and 2022

| | Single Family 1994 Indenture | Single Family 2009 Indenture | Single Family GNMA MBS Indenture | Single Family Finance | |
|---|------------------------------------|------------------------------------|--|-----------------------|------------|
| | | | | 2023 Total | 2022 Total |
| Operating Revenue: | | | | | |
| Interest income: | | | | | |
| Loans | \$ 45,543 | \$ - | \$ 98 | \$ 45,641 | \$ 37,026 |
| Investments | 359 | - | - | 359 | 9 |
| Net increase in fair value of investments | 3,560 | - | - | 3,560 | 42 |
| Total operating revenue | 49,462 | - | 98 | 49,560 | 37,077 |
| Operating Expenses: | | | | | |
| Interest | 33,147 | - | 78 | 33,225 | 23,774 |
| General and administrative | 1,227 | - | - | 1,227 | 1,119 |
| Total operating expenses | 34,374 | - | 78 | 34,452 | 24,893 |
| Change in Net Position | 15,088 | - | 20 | 15,108 | 12,184 |
| Internal transfers | (1,765) | - | (23) | (1,788) | (1,425) |
| Net Position, Beginning of Year | 322,062 | - | 3 | 322,065 | 311,306 |
| Net Position, End of Year | \$ 335,385 | \$ - | \$ - | \$ 335,385 | \$ 322,065 |

NIFA Board of Directors Meeting

October 20, 2023

Agenda Item #05

Consideration of Adoption of Resolution No. 471 — Authorizing the Authority to Enter into One or More Warehouse Financings with the Federal Home Loan Bank of Topeka to Provide Interim Financing for Single Family Mortgage Loans and Mortgage-Backed Securities to be Ultimately Financed with the Proceeds of the Authority's Single Family Housing Revenue Bonds

Background Information:

The Authority operates its Single Family Mortgage Revenue Bond Program (the "Program") for the purpose of financing mortgage loans ("Mortgage Loans") and providing down payment and homebuyer assistance to low- and moderate-income persons in the State to purchase owner-occupied residences. To finance the Program, the Authority issues its Single Family Housing Revenue Bonds (both taxable and tax-exempt) (the "Bonds") and uses the proceeds thereof to finance Mortgage Loans and Mortgage-Backed Securities represented by such Mortgage Loans ("Mortgage-Backed Securities"). To finance such Mortgage Loans and Mortgage-Backed Securities prior to the issuance of Bonds, the Authority has generally used its operating funds to purchase and "warehouse" such Mortgage Loans and Mortgage-Backed Securities, with the expectation that the Authority will be reimbursed for the purchase of such Mortgage Loans and Mortgage-Backed Securities from the proceeds of its Bonds upon their issuance.

Due to the increase in the demand for this Program, particularly for Welcome Home Mortgage Loans (no first-time homebuyer requirement and purchase price and income limits designed for workforce housing), staff of the Authority has determined that it is in the best interests of the Authority to obtain alternative sources of interim warehouse financing. Initially, the staff is recommending entering into one or more agreements with the Federal Home Loan Bank of Topeka to provide such warehouse financing ("Warehouse Financing") and pledging Mortgage Loans and Mortgage-Backed Securities (or other collateral). As Mortgage Loans are originated and securitized into Mortgage-Backed Securities, the Authority would have the flexibility to finance those securities with a borrowing from the Federal Home Loan Bank or the general operating funds of NIFA, in each case until such time as such Mortgage Loans or Mortgage-Backed Securities can be financed with proceeds of the NIFA Bonds.

Pursuant to prior authorization by the Board in 2010, the Authority previously entered in a similar arrangement with the Federal Home Loan Bank of Topeka. There are currently no borrowings outstanding pursuant to that arrangement and the documents with respect to that arrangement have lapsed.

The attached Resolution authorizes the Authority to enter into one or more Warehouse Financings with the Federal Home Loan Bank of Topeka in an aggregate principal amount not to exceed \$100,000,000 at any one time and with maturities of such borrowings no later than December 31, 2033, at the times and upon the terms and conditions as determined by the Executive Director to be in the best interests of the Authority, subject to the parameters set forth in the Resolution and the NIFA Act.

Recommended Action:

Adoption of attached Resolution No. 471

RESOLUTION NO. 471

A RESOLUTION AUTHORIZING THE NEBRASKA INVESTMENT FINANCE AUTHORITY TO OBTAIN INTERIM WAREHOUSE FINANCING IN CONNECTION WITH ITS SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM FROM THE FEDERAL HOME LOAN BANK OF TOPEKA; AUTHORIZING THE EXECUTIVE DIRECTOR TO PREPARE AND NEGOTATE ONE OR MORE AGREEMENTS IN CONNECTION WITH SUCH WAREHOUSE FINANCINGS; TO PLEDGE AS THE REPAYMENT FOR SUCH WAREHOUSE FINANCINGS SPECIFIC REVENUES OR COLLATERAL, TO SELL, PLEDGE OR SECURITIZE MORTGAGE LOANS, MORTGAGE-BACKED SECURITIES AND OTHER COLLATERAL IN CONNECTION WITH SUCH WAREHOUSE FINANCINGS, AT THE TIMES AND WITH SUCH TERMS AND CONDITIONS AS THE EXECUTIVE DIRECTOR DETERMINES ARE IN THE BEST INTERESTS OF THE AUTHORITY; MAKING FINDINGS AND DETERMINATIONS WITH REFERENCE TO SUCH WAREHOUSE FINANCINGS; PROVIDING THAT THE INVALIDITY OF ANY PART OF THIS RESOLUTION SHALL NOT AFFECT THE REMAINDER; REPEALING ALL RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith; AND PROVIDING FOR THE DATE OF EFFECT OF THIS RESOLUTION.

WHEREAS, the Nebraska Investment Finance Authority (the “Authority”) is a duly organized and existing body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions under the constitution and laws of the State of Nebraska (the “State”); and

WHEREAS, the Authority is authorized by Revised Statutes of Nebraska Sections 58-201 et seq., as amended (the “Act”), to issue and sell its revenue and general obligation bonds, notes and other obligations and to use the proceeds thereof for the purpose of financing mortgage loans and providing down payment and homebuyer assistance (collectively, “Mortgage Loans”) to low- and moderate-income persons in the State, to purchase or, under certain limited circumstances, to improve owner-occupied residences and to secure payment of such obligations as therein provided, all in accordance with the provisions of the Act; and

WHEREAS, in connection with the Authority’s Single Family Mortgage Revenue Bond Program (the “Single Family Program”), there is a need from time to time for an interim source of financing to purchase Mortgage Loans originated pursuant to the Program subsequent to the date such Mortgage Loans are originated (and the mortgagors identified) and until such time as such Mortgage Loans or mortgaged-backed securities represented by such Mortgage Loans, (the, “Mortgage-Backed Securities”) are purchased with proceeds of the Authority’s Single Family Mortgage Revenue Bonds (the “Single Family Bonds”); and

WHEREAS, the Authority has determined it prudent to consider, in addition to the use of the general operating funds of the Authority, alternatives or additional sources for the interim financing of Mortgage Loans and Mortgage-Backed Securities, from time to time, to enter into one or more arrangements (the “Warehouse Financing”) with the Federal Home Loan Bank of Topeka (the “FHLB of Topeka”) and, in order to facilitate such Warehouse Financing, has

determined to adopt the resolutions attached hereto as Appendices A through C and to execute certain agreements in connection with such Warehouse Financing, including those authorizations in Appendix D hereto; and

WHEREAS, the Authority intends to obtain and arrange Warehouse Financings with the FHLB of Topeka pursuant to one or more agreements to facilitate the Warehouse Financing and the Authority deems it necessary and advisable to proceed with the negotiation, execution and delivery of one or more financing documents and the sale, pledge or securitization of Mortgage Loans, Mortgage-Backed Securities or other collateral, as determined by the Executive Director to be in the best interests of the Authority; and

WHEREAS, the proceeds resulting from any Warehouse Financing will enable the Authority, as directed by the Executive Director, to provide for interim warehouse financing for Mortgage Loans and Mortgage-Backed Securities in order to further promote the efficient operating of the Authority and best utilize the financial resources of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEBRASKA INVESTMENT FINANCE AUTHORITY, AS FOLLOWS:

ARTICLE I

LEGAL AUTHORIZATION; FINDINGS

Section 1.01. *Legal Authorization.* The Authority is a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions, existing under the Constitution and laws of the State and is authorized under the Act to enter into such agreements in the form of one or more debt instruments (including, but not limited to extensions of credit pursuant to advances, notes, commercial paper, lines of credit, loans, repurchase agreements and other forms of indebtedness), to pledge specific sources of revenues and collateral to the repayment of such obligations, and to sell, pledge or securitize collateral for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

Section 1.02. *Findings.* The Authority has heretofore determined, and does hereby determine, as follows:

(a) The entering into any Warehouse Financing will effectuate the public purposes of the Authority and carry out the purposes of the Act by, among other things, providing decent, safe and sanitary housing for persons of low and moderate income, particularly first-time homebuyers, in the State.

(b) Any Warehouse Financing shall be a limited obligation of the Authority and payable solely out of the income, revenues and receipts pledged pursuant to any purchase, repurchase or agreements related thereto, or any Mortgage Loans, Mortgage-Backed Securities or other collateral and shall not be a general liability of the Authority or a charge against its general credit.

(c) It is necessary and advisable for the promotion of its public purposes and to the ultimate benefit of providing funds to enable persons of low and moderate income to own sanitary, safe and

uncrowded housing that the proceeds resulting from any Warehouse Financing will be used to purchase Mortgage Loans originated before, or subsequent to, the date hereof.

(d) The Authority may determine to take such alternative or additional actions as determined by the Executive Director to be necessary or convenient in connection with the execution and delivery of any Warehouse Financing, in the best interests of the Authority in accordance with this Resolution.

ARTICLE II

AUTHORIZATION TO EXECUTE DOCUMENTS AND ENTER INTO WAREHOUSE FINANCING ARRANGEMENTS

Section 2.01. *Adoption of Additional Resolutions.* The three following resolutions are hereby adopted by the Authority in the forms attached hereto:

- Resolution for Deposits (Appendix A) (including attached thereto the current Deposit Agreement)
- Credit Resolution (Appendix B)
- Resolution for Custodial Services (including attached thereto the current Institutional Custody Agreement) (Appendix C).

Section 2.02. *Approval and Authorization of Documents.*

(a) The Executive Director, Controller and Deputy Director may be listed and are authorized to take such actions as set forth substantially in the forms attached hereto as Appendix D:

- Wire Transfer Authorization Form (Appendix D)
- Credit Authorization Form (Appendix D)
- Institutional Custody Authorization Form (Appendix D).

(b) Any note, commercial paper, advance, line of credit, participation agreement, purchase agreement, repurchase agreement, loan agreement, custody agreement, securitization agreement and other certificates, instruments and documents evidencing, or relating to, any Warehousing Financing (collectively, together with the documents referred to in (a) above, the "Warehouse Financing Documents") necessary in order to accomplish the providing of Warehouse Financing for the purchase or financing by the Authority of Mortgage Loans and/or Mortgage-Backed Securities to be financed pursuant to the Single Family Program (including, but not limited to, agreements to purchase such Mortgage Loans and agreements to cause the servicing thereof to be performed by entities other than, or including, the entity serving as master servicer), shall be in form and substance satisfactory to the Executive Director with such changes, modifications, additions and deletions therein as the Executive Director (with the review of general counsel to the Authority) determines to be in the best interests of the Authority or as shall to her or him seem necessary, desirable or appropriate.

(c) In addition to the individuals listed in (a) above, the Chairperson, the Vice Chairperson and the Executive Director be and they are each separately and individually hereby authorized and directed to execute, seal and deliver, for and on behalf of the Authority, the Warehouse Financing Documents, her or his execution thereof to constitute conclusive evidence of her or his approval of any and all changes, modifications, additions and deletions to such Warehouse Financing Documents, and to execute, seal and deliver, for and on behalf of the Authority, such 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.

Section 2.03. *Authorization to Enter into the Warehouse Financings.*

(a) The negotiation, execution and delivery or one or more Warehouse Financing Documents with the Federal Home Loan Bank of Topeka, pursuant to the terms of one or more Warehouse Financing Documents, purchase agreements, repurchase agreements, loan agreements, lines of credit, pledge agreements, mortgages or other financing documents be and the same are in all respects hereby approved, authorized and confirmed, provided that the aggregate principal amount of all Warehouse Financings outstanding at any time with the Federal Home Loan Bank pursuant to the terms of this Resolution shall not exceed \$100,000,000. The Chairperson, the Vice Chairperson and the Executive Director are hereby additionally each severally authorized and directed to execute, seal and deliver, whether by manual or facsimile signature, such Warehouse Financing Documents for and on behalf of the Authority, with such terms to be determined by the Executive Director within the parameters of this Resolution.

(b) It is understood that as any amount of such Warehouse Financings are repaid by the Authority, the Executive Director is authorized to obtain additional funds from the Federal Home Loan Bank of Topeka pursuant to the authority granted in this Resolution so long as no more than \$100,000,000 shall be outstanding at any point in time.

(c) Except as specifically provided below, any Warehouse Financing shall:

(i) bear such rate or rates, whether fixed or variable, as the case may be, for any such Warehouse Financing not to exceed 12% per annum;

(ii) mature not later than December 31, 2033, it being understood and authorized that, prior to or upon any maturity or termination date of any such Warehouse Financing, such arrangement may at the discretion of the Executive Director, be renewed, extended or a new Warehouse Financing delivered in accordance with the terms of this Resolution (without any additional action by the Board of the Authority) or funds may be used, at the direction of the Executive Director, from the operating funds of the Authority to pay any such Warehouse Financing; provided further, that additional Warehouse Financings may be delivered by the Executive Director, from time to time, in accordance with the terms of this Resolution, with maturities not exceeding December 31, 2033.

(iii) Each Warehouse Financing shall be payable at such place and in such forms, carry such registration privileges, be subject to redemption, be executed, be in such forms and contain such terms, covenants and conditions, if any, all as shall be determined by the Executive Director to be

in the best interests of the Authority, such final terms to be determined by the Executive Director within the parameters of this Resolution.

(f) The providing, from time to time, of additional security in the form of cash, cash equivalents, Mortgage Loans, Mortgage-Backed Securities or other collateral to the Federal Home Loan Bank of Topeka or its custodian for the purpose of satisfying securitization requirements with respect to any Warehouse Financing be and the same are in all respects hereby approved, authorized and confirmed, and the Executive Director is hereby authorized and directed to execute, seal and deliver any document in connection therewith.

Section 2.04. *Authority To Execute and Deliver Additional Documents and General Authorization; Authority To Designate Parties.* The Chairperson, the Vice Chairperson and the Executive Director are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates and documents, as may be necessary, such terms to be as approved by the Chairperson, the Vice Chairperson or the Executive Director, and representation letters required by the securities depository, and other papers and to perform all other acts as they may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble hereto. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby authorizes and directs all of the officers and employees of the Authority to perform or cause to be performed such obligations of the Authority and such other actions as they, in consultation with bond counsel, shall consider necessary or desirable in connection with or in furtherance of this Resolution and the transactions contemplated by the documents and agreements identified or contemplated in this Resolution. The execution and delivery by any such officer of the Authority of any of such documents, instruments or certifications, or the performance of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of the approval thereof of such officer and the Authority and shall conclusively establish such officer's absolute, unconditional and irrevocable authority with respect thereto from the Authority and the approval and ratification by the Authority of the documents, instruments and certifications so executed and the action so taken.

Section 2.05. *Ratification of Prior Actions; Prior Action.* All actions heretofore taken with respect to any Warehouse Financing and matters incident thereto by the officers of the Authority, to the extent such actions are not in conflict with this Resolution, are hereby in all respects adopted, ratified, approved and confirmed, including but not limited to, the execution and delivery of the Deposit Agreement and Institutional Custody Agreement referred to in Section 2.01 of this Resolution.

ARTICLE III

SUPPLEMENTAL RESOLUTIONS

The Authority may, subject to the terms and conditions of any Warehouse Financing, pass and execute resolutions supplemental to this Resolution which shall not be inconsistent with the terms and provisions of any existing Warehouse Financing.

ARTICLE IV

MISCELLANEOUS

Section 4.01. *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 any Warehouse Financing is intended or shall be construed to give to any person, other than the Authority and the Federal Home Loan Bank of Topeka, 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 Authority and the Federal Home Loan Bank of Topeka as herein provided.

Section 4.02. *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 4.03. *Immunity of Officers.* No recourse for any payment due and owed by the Authority in connection with any Warehouse Financing shall be had against any official, officer, member or agent of the Authority 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 Warehouse Financing.

Section 4.04. *Prior Resolutions.* All provisions of prior resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed, rescinded and restated.

Section 4.05. *Effective Date.* This Resolution shall be in full force and effect immediately upon its passage and approval.

Section 4.06. *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 4.07. *Validity of Obligations.* Each Warehouse Financing may contain a recital that such financing is authorized pursuant to the Act, and such recital shall be conclusive evidence of its validity.

Passed and approved this 20th day of October, 2023.

NEBRASKA INVESTMENT FINANCE
AUTHORITY

By _____
Executive Director

[Execution Page to Resolution No. 471]

APPENDICES TO RESOLUTION No. 471

Appendix A - Resolution for Deposits (and attached thereto the Deposit Agreement)

Appendix B - Credit Resolution

Appendix C - Resolution for Custodial Services (and attached thereto the Institutional Custody Agreement)

Appendix D – Forms of Authorization

- Wire Transfer Authorization Form
- Credit Authorization Form
- Institutional Custody Authorization Form

APPENDIX A



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Resolution for Deposits

Institution: Nebraska Investment Finance Authority

Address: 1230 O Street, Suite 200

Lincoln, NE 68508

The undersigned hereby certifies to the Federal Home Loan Bank of Topeka (FHLBank) that the undersigned is the duly elected, qualified and acting Secretary or Assistant Secretary of the Institution, and that the following resolution has been duly adopted by affirmative vote of the requisite majority of qualified directors of the Institution at a legal meeting of its board of directors held on October 20, 2023, and is duly recorded in the minutes:

RESOLVED, that the FHLBank is hereby designated a depository of this Institution and the officers of this Institution are hereby authorized to deposit any funds in this Institution with the FHLBank in accordance with the FHLBank's Rules and Regulations Governing Deposit Accounts as amended from time to time;

FURTHER RESOLVED, that any one of the following officers, employees or agents of this Institution is hereby authorized and empowered to (1) enter into a Deposit Agreement with the FHLBank, substantially in the form attached hereto, and such other agreements, documents and instruments as may be necessary in connection with this Institution's deposit accounts at the FHLBank and (2) certify in writing to the FHLBank, from time to time, those officers, employees and agents of this Institution authorized to execute drafts against the deposit accounts of this Institution at the FHLBank and those officers, employees and agents authorized to transmit wire transfer instructions to the FHLBank:

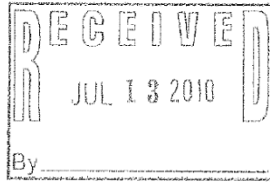
| Name | Title | Signature |
|-------------------|--------------------|-----------|
| Shannon R. Harner | Executive Director | |
| Christie Weston | Deputy Director | |
| Jody Cook | Controller | |
| | | |
| | | |
| | | |

and the FHLBank is entitled to rely on a certification made by any one of the foregoing until the FHLBank has actually received written notice of any change to such certification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Institution this ____ day of _____, _____.

(Seal)

By: _____
Secretary or Assistant Secretary



FHLBank Topeka | P.O. Box 176 | One Security Benefit Pl, Suite 100 | Topeka, Kansas 66601-0176
PH 785.233.0507 | www.fhlbtopeka.com

Deposit Agreement

This Deposit Agreement (Agreement) is made between the Federal Home Loan Bank of Topeka (FHLBank) and Nebraska Investment Finance Authority (Institution), which has its principal office at 200 Commerce Court, 1230 O Street, Lincoln, NE 68508.

WHEREAS, the Institution desires to open one or more deposit accounts with the FHLBank and the FHLBank is willing to open such an account or accounts for the Institution upon the terms and conditions herein set forth;

NOW, THEREFORE, the Institution and the FHLBank agree as follows:

1. The FHLBank agrees to open one or more deposit accounts for the Institution, from time to time, upon the request of the Institution. All accounts established hereunder shall be subject to and governed by the Rules and Regulations Governing Deposit Accounts, as the same shall be adopted by the FHLBank from time to time (Rules and Regulations). The Institution acknowledges receipt of a copy of the Rules and Regulations as in effect on the date hereof. Any changes in the Rules and Regulations shall be made only by the FHLBank in writing and shall be effective as to the Institution ten (10) days after the FHLBank mails a copy of such changes to the Institution at the address as listed below or such other address as the Institution shall provide to the FHLBank in writing, or the effective date of the Rules and Regulations, whichever is later.
2. The Institution agrees to pay from time to time, in the manner prescribed in the Rules and Regulations, the FHLBank's customary charges with respect to any accounts established hereunder.
3. If the Institution has entered into (or shall hereafter enter into) an Advance, Pledge and Security Agreement (Advance Agreement) with the FHLBank, the Institution hereby grants to the FHLBank a lien on and security interest in any credits, deposits and monies in the accounts of the Institution maintained by the FHLBank upon the terms and conditions set forth in the Advance Agreement, to secure the repayment of any and all indebtedness of the Institution to the FHLBank under the Advance Agreement or otherwise, and the Institution agrees further that upon maturity of any indebtedness owed to the FHLBank by the Institution, either by its terms or by acceleration, the FHLBank may, in its sole discretion and without limiting any other rights and remedies and without notice, setoff and apply any sums then on deposit to the payment of any such indebtedness; provided, however, that the above lien and security interest shall not apply or attach to any liability or obligation of the Institution under any existing or future standby bond purchase agreement between the Institution and FHLBank.

IN WITNESS WHEREOF, the Institution and the FHLBank have caused this Agreement to be signed in their names by their duly authorized officers.

Institution:

Nebraska Investment Finance Authority

Name of Institution

200 Commerce Court, 1230 O Street, Lincoln, NE 68508

Address

By: 

Authorized Signature

Timothy R. Kenny, Executive Director

Typed Name and Title

Attest: 

Judy A. Krasomil

Treasurer

**Federal Home Loan Bank of Topeka
One Security Benefit Pl, Suite 100
PO Box 176
Topeka, KS 66601-0176**

Date: July 13, 2010

By: 

Authorized Signature

Dan Hess, SVP

Typed Name and Title

Attest: 

Tad Kraemer
Asst. Secretary

APPENDIX B



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Credit Resolution

Institution: Nebraska Investment Finance Authority

Address: 1230 O Street, Suite 200

Lincoln, NE 68508

The undersigned hereby certifies to the Federal Home Loan Bank of Topeka (FHLBank) that the undersigned is the duly elected, qualified and acting Secretary or Assistant Secretary of the above-described institution (Institution), and that the following resolution has been duly adopted by the board of directors of the Institution on the date indicated and such action is duly recorded in the official records of the Institution:

RESOLVED, that this Institution is hereby authorized to obtain extensions of credit from the FHLBank, including but not limited to extensions of credit in the form of commitments, advances, letters of credit and swap transactions, to grant a security interest in and pledge to the FHLBank the assets of the Institution as security for such extensions of credit, and to execute such agreements, forms and other documents and otherwise do all things required to obtain such extensions of credit.

FURTHER RESOLVED, that any one of the following officers, employees or agents of this Institution is hereby authorized and empowered (1) to make application to the FHLBank on behalf of this Institution for extensions of credit, on such terms and conditions as said person may determine, including but not limited to extensions of credit in the form of commitments, advances, letters of credit and swap transactions, to grant a security interest in and pledge to the FHLBank the assets of the Institution as security for such extensions of credit, and to execute such agreements, forms and other documents and otherwise do all things required to obtain such extensions of credit and (2) to certify in writing to the FHLBank, from time to time, those officers, employees and agents of this Institution further authorized to do the same.

| Name | Title | Signature |
|-------------------|--------------------|-----------|
| Shannon R. Harner | Executive Director | |
| Christie Weston | Deputy Director | |
| Jody Cook | Controller | |
| | | |

The FHLBank is entitled to rely on this resolution and on any certification made by any one of the foregoing until the FHLBank has actually received written notice of any change.

Date Resolution Adopted: _____

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Institution this ____ day of _____, _____.

(Seal)

By: _____
Secretary or Assistant Secretary

APPENDIX C



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Resolution for Custodial Services

Institution: Nebraska Investment Finance Authority
Address: 1230 O Street, Suite 200
Lincoln, NE 68508

The undersigned hereby certifies to the Federal Home Loan Bank of Topeka (FHLBank) that the undersigned is the duly elected, qualified and Acting Secretary or Assistant Secretary of the Institution, and that the following resolution has been duly adopted by affirmative vote of the requisite majority of qualified directors of the Institution at a legal meeting of its board of directors held on October 20, 2023, and is duly recorded in the minutes:

RESOLVED, that any one of the following officers, employees or agents of this Institution is hereby authorized and empowered to (1) enter into an Institutional Custody Agreement with the FHLBank, substantially in the form attached hereto, and such other agreements, documents and instruments as may be necessary in connection with this Institution's Custodial Account at the FHLBank and (2) certify in writing to the FHLBank, from time to time, those officers, employees and agents of this Institution authorized to transmit instructions to the FHLBank pertaining to the Institution's Custodial Account at the FHLBank:

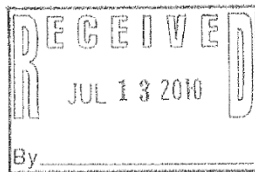
| Name | Title | Signature |
|-------------------|--------------------|-----------|
| Shannon R. Harner | Executive Director | |
| Christie Weston | Deputy Director | |
| Jody Cook | Controller | |
| | | |
| | | |
| | | |
| | | |

and the FHLBank is entitled to rely on a certification made by any one of the foregoing until the FHLBank has actually received written notice of any change to such certification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Institution this ____ day of _____, _____.

(Seal)

By: _____
Secretary or Assistant Secretary



FHLBank Topeka | P.O. Box 176 | One Security Benefit Pl, Suite 100 | Topeka, Kansas 66601-0176
PH 785.233.0507 | www.fhlbtpeka.com

Institutional Custody Agreement

Nebraska Investment Finance Authority _____ (Customer)
and the Federal Home Loan Bank of Topeka (Custodian) hereby agree on June 30, 2010,
that the Custodian shall hold and dispose of all securities and other property of the Customer deposited with,
delivered to or received by the Custodian, subject to the following terms and conditions:

1. (a) The Custodian will hold the securities in one or more custodial accounts (referred to as Custodial Account, whether one or more) which the Custodian will open and maintain in such name(s) as may be agreed upon from time to time with the Customer.
- (b) The Customer authorizes and instructs the Custodian to maintain the securities in the Custodial Account directly in its offices or indirectly through custody accounts which have been established by the Custodian with the following other securities intermediaries: (i) another bank or trust company located within the United States (Subcustodian); and (ii) a securities depository or clearing agency or system in which the Custodian or Subcustodian participates (Depository). The Custodian may, at any time in its discretion, terminate any custody account at any Subcustodian or Depository.
- (c) Subject to the aforesaid provision, securities are to be held in the Custodial Account in coupon bearer form; with respect to securities that are received in registered form, the Custodian is authorized to reregister such securities in the name of its nominee or the nominee of a Subcustodian or Depository, unless alternate registration instructions are furnished.
- (d) In consideration of the registration of any stocks, bonds, securities or other property in the name of a nominee, the Customer agrees to pay on demand to the Custodian or nominee the amount of any loss or liability claimed or asserted against the Custodian or its nominee by reason of such registration, including any liability for stockholders' assessments.
- (e) Should any securities that are forwarded to the Custodian by the Customer, and that are subsequently deposited with a Depository, not be deemed acceptable for deposit by the Depository for any reason, the Customer shall immediately furnish the Custodian with like securities in acceptable form or, in the alternative, the Custodian is authorized to charge the Customer's account for the cost of replacing such securities and for any other fees or charges as may be payable to such Depository as a result of such unacceptable deposit.
- (f) The Custodian is authorized to accept, act upon and rely upon each of the following (Instructions): (i) all signed, written statements given by one or more of the officers, employees or agents of the Customer as are designated by resolution of the Customer's board of directors, as provided to the Custodian, and any amendments thereto, from time to time; and (ii) all statements received by telephone, facsimile transmission, bank wire or other teleprocess acceptable to the Custodian which it believes in good faith to have been given by such authorized person or which are transmitted with proper testing or authentication pursuant to terms and conditions which the Custodian may specify. The Custodian shall incur no liability to the Customer, or otherwise, as a result of any act by the Custodian in accordance with Instructions on which the Custodian is authorized to rely pursuant to the provisions of this paragraph.
- (g) In complying with Instructions for delivery of securities, the Custodian will make deliveries through (i) the Federal Reserve system, pursuant to applicable regulations and operating circulars of the Federal Reserve Banks, all as amended from time to time; or (ii) the facilities of any Depository pursuant to the Kansas Uniform Commercial Code and the rules and procedures of such Depository, and any subsequent amendments thereto.

- (h) The Customer acknowledges familiarity with the current securities industry practice of delivering physical securities against later payment on delivery date. Notwithstanding instructions to deliver securities against payment, the Custodian is authorized to make delivery against a temporary receipt (sometimes called a "window ticket") in lieu of payment. The Custodian will use its best efforts to obtain payment thereof during the same business day, but the Customer solely assumes all risks of payment for such deliveries. The Custodian may accept checks, whether certified or not, in payment for securities delivered, and the Customer assumes sole responsibility for the risks of collectibility of such checks.
2. Unless instructed otherwise in writing, the proceeds of sales, redemptions, collections and other receipts, and dividend and interest income will be credited to the Customer's account. The term "account" shall be deemed to mean any one or more of the Customer's deposit accounts maintained with the Custodian at the time of the transaction referred to.
3. (a) In no event shall the Custodian be responsible to ascertain or to take any action concerning any puts, calls, conversions, exchanges, reorganizations, offers, tenders or similar matters relating to securities held in the Custodial Account other than to transmit to the Customer, in a timely manner, all information relating to any such action received by the Custodian from any offerors or otherwise. All Instructions to the Custodian with respect to tender offers must be in writing and delivered to the Custodian within sufficient time for the Custodian to act thereon if any action is required. As used herein, "sufficient time" shall mean at least one business day before the last permissible date for action by the Custodian, and the Custodian shall have no liability to the Customer for failure to act upon Instructions received by the Custodian at any time after such date.
- (b) All proxies and material pertaining thereto received by the Custodian in connection with stocks, bonds, securities and other property held in the Custodial Account will be forwarded to the Customer.
- (c) Should any securities held by a Depository be called for a partial redemption by the issuer of such securities, the Custodian is authorized to accept allocation as determined pursuant to the program then in effect at such Depository or, in the absence of any such program, in the Custodian's sole discretion to allot the called portion to the respective holders in any manner deemed to be fair and equitable in its judgment.
- (d) Recapitalizations and stock distributions will be credited to the Custodial Account within five (5) business days after the Stock Exchange due bill redeemable date (ten [10] business days after payable date) in order to comply with the normal course of settling the Custodian's position at the Depository and sufficient time to allocate these shares to the Custodial Account. Stock dividends will be credited on the payable date.
- (e) The Custodian is authorized to exchange temporary for definitive certificates and old certificates for new or overstamped certificates evidencing a change therein.
4. (a) With respect to foreign securities or securities for which adequate financial information is not readily available, the Custodian's responsibility is expressly limited to safekeeping. With respect to such securities, the Custodian assumes no responsibility for coupon payments, redemptions, exchanges or similar matters affecting such securities.
- (b) Collections of monies in foreign currency, to the extent possible, are to be converted into U.S. dollars at customary rates. All risk and expense incident to such foreign collections and conversions are for the Customer's account, and the Custodian shall have no responsibility for fluctuations in exchange rates affecting such collections or conversions.

5. The Customer acknowledges its responsibility as a principal for all of its obligations arising under or in connection with this Agreement, notwithstanding that the Customer may be acting on behalf of other persons. The Customer warrants its authority to deposit in the Custodial Account and any other account of the Customer any securities and funds which the Custodian or its agents receive from the Customer and to give Instructions relative thereto. The Custodian shall not be subject to, nor shall its rights and obligations with respect to this Agreement and the Custodial Account be affected by, any agreement between the Customer and any other person. The Custodian assumes no liability to any customer of the Customer or to any beneficiary for which the Customer may be acting as agent, bailee or fiduciary.
6. (a) The Custodian shall be responsible for the performance of only such duties as are set forth herein or contained in Instructions given to the Custodian which are not contrary to the provisions of this Agreement. The Custodian will use reasonable care with respect to the safekeeping of securities in the Custodial Account and, except as otherwise expressly provided herein, in carrying out its obligations under this Agreement. So long as and to the extent that it has exercised reasonable care, the Custodian shall not be responsible for the title, validity or genuineness of any securities or evidence of title thereto received by it or delivered by it pursuant to this Agreement and shall be held harmless in acting upon, and may conclusively rely on, without liability for any loss resulting therefrom, any notice, request, consent, certificate or other instrument reasonably believed by it to be genuine and to be signed or furnished by the proper party or parties, including, without limitation, Instructions, and shall be indemnified by the Customer for any losses, damages, costs and expenses (including, without limitation, the fees and expenses of counsel) incurred by the Custodian and arising out of action taken or omitted with reasonable care by the Custodian hereunder or under any Instructions. With respect to a Depository, the Custodian shall only be responsible or liable for losses arising from employment of such Depository caused by the Custodian's own failure to exercise reasonable care. In the event of any loss to the Customer by reason of the failure of the Custodian or a Subcustodian to exercise reasonable care, the Custodian shall be liable to the Customer to the extent of the Customer's actual damages at the time such loss was discovered, without reference to any special conditions or circumstances. In no event shall the Custodian be liable for any consequential or special damages. The Custodian shall be entitled to rely, and may act, on any advice provided by counsel for the Customer on any matters relating to this Agreement, and the Custodian shall be without liability for any action reasonably taken or omitted pursuant to such advice.
- (b) In the event the Customer subscribes to an electronic on-line service and communications system offered by the Custodian, the Customer shall be fully responsible for the security of the Customer's connecting terminal, access thereto and the proper and authorized use thereof and the initiation and application of continuing effective safeguards with respect thereto and agrees to defend and indemnify the Custodian and hold the Custodian harmless from and against any and all losses, damages, costs and expenses (including the fees and expenses of counsel) incurred by the Custodian as a result of any improper or unauthorized use of such terminal by the Customer or by any others.
- (c) Subject to the exercise of reasonable care, the Custodian shall have no liability for any loss occasioned by delay in the actual receipt of notice by the Custodian or by a Subcustodian of any payment, redemption or other transaction regarding securities in the Custodial Account in respect of which the Custodian has agreed to take action under this Agreement. The Custodian shall not be liable for any loss resulting from, or caused by, acts of governmental authorities (whether de jure or de facto), including, without limitation, nationalization, expropriation and the imposition of currency restrictions; devaluations of or fluctuations in the value of currencies; changes in laws and regulations applicable to the banking or securities industry; market conditions that prevent the orderly execution of securities transactions or affect the value of securities; acts of war, terrorism, insurrection or revolution; strikes or work stoppages; the inability of a local clearing and settlement system to settle transactions for reasons beyond the control of the Custodian; nuclear fusion, fission or radioactivity, or hurricane, tornado, cyclone, earthquake, volcanic eruption or other acts of God.

- (d) The Custodian shall have no liability in respect of any loss, damage or expense suffered by the Customer, insofar as such loss, damage or expense arises from the performance of the Custodian's duties hereunder by reason of the Custodian's reliance upon records that were maintained for the Customer by entities other than the Custodian prior to engagement of the Custodian under this Agreement.
- (e) The Custodian shall not be liable to the Customer, and the Customer agrees to indemnify the Custodian and its nominees, for any loss, damage or expense suffered or incurred by the Custodian or its nominees arising out of any violation of any investment restriction or other restriction or limitation applicable to the Customer pursuant to any contract or any law or regulation.
- (f) The provisions of this section shall survive termination of this Agreement.
7. The Custodian may charge any account of the Customer for all costs incurred by the Custodian in connection with its receipt of securities for the Custodial Account. The Custodian is not obligated to effect any transaction or make any payment in connection therewith unless there are sufficient available funds on deposit in the Customer's account or funds have otherwise been made available to the Custodian to its satisfaction. The amount by which payments made by the Custodian with respect to property in, or to be received for, the Custodial Account, or with respect to other transactions pursuant to this Agreement, exceed available funds and result in an account overdraft shall be deemed a loan from the Custodian to the Customer in the amount of such overdraft, payable on demand. Such overdraft loan shall bear interest, to the maximum extent permitted by law, at a rate per annum for each day during the period commencing on the due date thereof until such amount shall be paid in full equal to 315 basis points above the previous business day's daily effective federal funds rate as published in Federal Reserve Statistical Release H.15, or any equivalent successor rate, release or publication. Any such overdraft loans shall be based on the Custodian's sole determination to make (or refrain from making) the underlying advance in each case.
8. In order to secure the payment and performance of all of the Customer's liabilities to the Custodian at any time outstanding, the Customer hereby grants a lien and right of setoff as to the balance in any non-custodial account of the Customer, from time to time, and the Custodian may, at any time, in its sole discretion and without notice, appropriate and apply toward the payment of liabilities to the Custodian the balance of each such account and/or take such other action(s) or exercise any other options, powers and rights which the Custodian now or hereafter has as a secured party under the Kansas Uniform Commercial Code or any other applicable law. The term "liabilities" shall include all of the Customer's liabilities arising hereunder, including, but not limited to, loans, other advances, interest, fees, charges, expenses and attorneys' fees and expenses.
9. The Custodian agrees to provide the Customer with regular monthly reports of holdings in the Custodial Account, or at such more frequent intervals as the parties may agree. To the extent that the Custodian reports the market value of the Custodial Account holdings, the Customer acknowledges that the Custodian now obtains and will in the future obtain such information from outside sources that it deems to be reliable, and confirms that the Custodian does not verify or represent or warrant either the accuracy or the completeness of any such information furnished to the Customer.
10. (a) The Custodian shall be under no duty to take any action with respect to any property held in any Custodial Account except to the extent of any Instructions properly issued by the Customer.
- (b) In the event that the Custodian agrees, at the request of the Customer, to appear on behalf of the Customer, and prosecute or defend any legal or equitable proceeding, the Customer agrees to indemnify the Custodian for any and all costs and expenses including, without limitation, attorneys' fees and expenses.

(c) The Custodian is authorized and empowered, in the name and on behalf of the Customer, to execute any certificates of ownership or other reports, declarations or affidavits that the Custodian is or may hereafter be required to execute and furnish under any regulation of the Internal Revenue Service, or other authority of the United States, so far as the same are required in connection with any property that is now or may hereafter be held in the Custodial Account, claiming no exceptions on behalf of the Customer. The Customer shall notify the Custodian immediately in writing of any material change in the Customer's status that may affect any such certificates, reports or other required documents, or on the contents thereof.

11. The Customer agrees to pay the Custodian, as compensation for its services hereunder, its applicable fees in effect from time to time, of which the Custodian will provide the Customer with notice.
12. The Customer agrees to and does hereby indemnify and hold harmless the Custodian from any and all loss, liability (excluding any liability occasioned by the negligence or misconduct of the Custodian's employees, or by robbery, burglary, theft or other disappearance of any securities while in the Custodian's physical possession), claims, damages and expenses (including, without limitation, attorneys' fees and expenses) arising from the Custodian's performance of services as Custodian hereunder, including matters arising out of a settlement of any dispute prior to the Custodian's being named as a defendant in any litigation or proceeding, and whether or not the Custodian is a party to such litigation or proceeding.
13. This Agreement shall continue until terminated by either party upon at least sixty (60) days' prior written notice to the other. In the event of the termination of this Agreement at the Customer's request, the Custodian may transfer to the Customer all stocks, bonds, securities and other property registered in the name of the Custodian's or Subcustodian's nominee or a Depository, and the Custodian shall charge all expenses incident to such transfer to the Customer's account. If termination of this Agreement is made at the Custodian's request, the above-described charges shall be at the Custodian's expense. Notwithstanding the foregoing, if the Customer fails to pay any amount when due under this Agreement, and fails to make such payment within twenty (20) days after the Custodian sends the Customer written notice of nonpayment, the Custodian may terminate this Agreement upon at least seven (7) days' prior written notice to the Customer and charge all expenses incident to such transfer to the Customer's account.
14. Any notice, request, consent or Instruction given, made or withdrawn pursuant to this Agreement shall be in writing or by machine-readable electronic transmission, and shall be deemed to have been duly given to and received by a party hereto three (3) business days after it shall have been mailed to such party at its address herein provided, postage prepaid, if delivered by first-class mail or, if delivered by hand or by machine-readable electronic transmission, when actually received by such party at its principal office.
15. This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements between such parties, and all oral and written statements by either party, that relate to such subject matter. No modification, amendment or waiver of any provision of this Agreement, or consent to any departure therefrom, shall be effective unless executed by the party against whom such change is asserted, and any consent or waiver shall be effective only in the specific instance and for the purpose for which given.
16. This Agreement shall be governed by the laws of the State of Kansas (without reference to choice of law doctrine) and shall be binding upon, and inure to the benefit of, the parties and their successors and assigns.
17. The federal and state courts within the State of Kansas shall have sole and exclusive jurisdiction over any claim or dispute which may arise hereunder or which either party may allege or assert against the other and/or any transactions contemplated hereunder.
18. If any provision of this Agreement is deemed to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed in their names by their duly authorized officers as of the date first above-written.

Nebraska Investment Finance Authority

Customer Name

200 Commerce Court, 1230 O Street, Lincoln, NE 68508

Customer Address

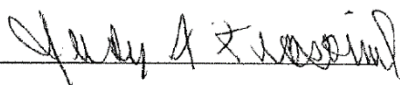
By: _____


Authorized Signature

Timothy R. Kenny, Executive Director

Typed Name and Title

Attest: _____

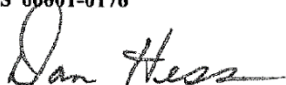

Judy A. Krasomil

Treasurer

Federal Home Loan Bank of Topeka
One Security Benefit Pl, Suite 100
PO Box 176
Topeka, KS 66601-0176

Date: July 13, 2010

By: _____


Dan Hess, SVP

Typed Name and Title

Attest: _____


Tad Kramer
Asst. Secretary

APPENDIX D



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Wire Transfer Authorization Form

Institution: Nebraska Investment Finance Authority
Address: 1230 O Street, Suite 200
Lincoln, NE 68508
Phone Number: (402) 434-3900 Fax Number: (402) 434-3921
DDA Number: 44300012 E-mail: jody.cook@nifa.org

To the Federal Home Loan Bank of Topeka (FHLBank):

Pursuant to the authority delegated to me by resolution of the board of directors of the above-described Institution (Institution), I hereby certify to you that each of the following officers, employees or agents of the Institution is authorized to initiate and/or verify outgoing wire transfer instructions, as indicated, to you in connection with the Institution's deposit accounts at the FHLBank. This authorization includes the use of facsimile signatures and the electronic transmission thereof and the giving of instructions by wire, telephone or other electronic transmission.

| Name/Title | Signature | Authorized to* | | |
|-------------------|-----------|--------------------------|--------------------------|-------------------------------------|
| | | Initiate | Verify | Both |
| Shannon R. Harner | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Christie Weston | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Jody Cook | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Please check applicable boxes

This designation can be revoked or amended only in writing signed by a person authorized by the Institution's board of directors and, until such revocation or amendment is delivered to you, you shall be entitled to rely on these designations in accepting and acting on instructions given or documents executed in accordance herewith.

By: _____
Authorized Signature
Shannon R. Harner, Executive Director
Name and Title

Date: _____



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Credit Authorization Form

Institution: Nebraska Investment Finance Authority
Address: 1230 O Street, Suite 200
Lincoln, NE 68508
Phone Number: (402) 434-3900 **Fax Number:** (402) 434-3921
DDA Number: 44300012 **E-mail:** jody.cook@nifa.org

To the Federal Home Loan Bank of Topeka (FHLBank):

Pursuant to the authority delegated to me by resolution of the board of directors of the above-described Institution, I hereby certify to you that each officer, employee or agent of the Institution listed below is authorized to make application to the FHLBank on behalf of the Institution for extensions of credit, on such terms and conditions as said person may determine, including but not limited to extensions of credit in the form of advances, commitments, swap transactions and letters of credit, to grant a security interest in and pledge to the FHLBank the assets of the Institution as security for such extensions of credit, and to complete and execute such agreements, forms and other documents and otherwise do all things required to obtain such extensions of credit.

| Name | Title | Signature |
|-------------------|--------------------|-----------|
| Shannon R. Harner | Executive Director | |
| Christie Weston | Deputy Director | |
| Jody Cook | Controller | |
| | | |
| | | |
| | | |
| | | |

This designation can be revoked or amended only in writing signed by a person authorized by the Institution's board of directors and, until such revocation or amendment is delivered to you, you shall be entitled to rely on these designations in accepting and acting on instructions given or documents executed in accordance herewith.

By: _____
Authorized Signature
Shannon R. Harner, Executive Director
Name and Title

Date: _____

NIFA Board of Directors Meeting

October 20, 2023

Agenda Item #06

Consideration of a Motion to Approve the Nebraska Investment Finance Authority Amended Swap Management and Execution Policy

Background Information:

The current Swap Management and Execution Policy (the "Current Swap Policy") sets forth the guidelines that govern the implementation, use, and management of interest rate exchange agreements and credit default swaps (collectively, "Swaps") in conjunction with the management of the assets and liabilities of the Nebraska Investment Finance Authority ("NIFA"). NIFA staff is proposing certain updates to the Current Swap Policy in the Amended Swap Management and Execution Policy (the "Amended Swap Policy") and is seeking Board approval thereof.

The Amended Swap Policy continues to set forth the manner of execution of Swaps and related agreements, provides for security and payment provisions, and sets forth certain other provisions related to agreements between NIFA and its swap counterparties. The purpose of the Amended Swap Policy is to ensure compliance with applicable state and Federal laws and provide guidance and flexibility to NIFA to effectively use Swaps in connection with various NIFA transactions.

In connection with the issuance of certain series of its Single Family Housing Revenue Bonds bearing interest at variable rates, NIFA has entered into several swap agreements to assist in hedging the variable interest rate on those Bonds. (Authorization of those Swaps is provided for in the single family bond resolution adopted by the NIFA Board each December.) NIFA staff may also determine that an interest rate or other type of agreement would be beneficial to put in place with respect to future bonds which bear interest at variable rates and, when doing so, would be governed by this Amended Swap Policy.

Pursuant to the existing Swaps, NIFA makes payments to the counterparty based on a fixed rate of interest and receives payments from the counterparty based on a variable rate based upon the index stated in the respective existing Swap. (See Attachment A.)

Recommended Action:

Motion to Approve the Nebraska Investment Finance Authority Amended Swap Management and Execution Policy in the form presented to the Board (and attached hereto).

ATTACHMENT A

Interest Rate Swap Agreements – Single Family Housing Revenue Bonds

As of June 30, 2023, the following interest rate swap agreements had been entered into by NIFA and the counterparties listed below. (All such agreements are subject to earlier termination in accordance with their terms.)

| Counterparty | Outstanding Notional Amount | Effective Date | Termination Date | Fixed Rate | Floating Rate Spread to SIFMA | Semiannual Fixed/ Floating Payment Dates | % of Total Variable Rate Debt |
|----------------------------------|-----------------------------------|-------------------|---------------------|---------------|--|--|---|
| Royal Bank of Canada | \$24,035,000 | 12/29/10 | 9/1/32 | 3.8890% | .22% | 3/1 and 9/1 | 9.35% |
| Royal Bank of Canada | 14,350,000 | 12/29/10 | 3/1/38 | 3.9450% | .12% | 3/1 and 9/1 | 5.58% |
| Royal Bank of Canada | 15,000,000 | 02/23/21 | 9/1/41 ² | 1.6310% | .00% | 3/1 and 9/1 | 5.83% |
| Royal Bank of Canada | 15,000,000 | 06/01/22 | 9/1/41 ³ | 2.0190% | Note 1 | 3/1 and 9/1 | 5.83% |
| Barclays Bank plc | 26,605,000 | 03/01/09 | 9/1/38 | 3.9420% | .12% | 3/1 and 9/1 | 10.35% |
| The Bank of New York Mellon | 36,835,000 | 12/29/10 | 9/1/31 | 4.0130% | .12% | 3/1 and 9/1 | 14.33% |
| The Bank of New York Mellon | 19,350,000 | 04/30/19 | 9/1/49 ¹ | 2.3415% | Note 2 | 3/1 and 9/1 | 7.53% |
| The Bank of New York Mellon | <u>48,690,000</u> | 08/02/22 | 3/1/33 | 2.1960% | Note 3 | 3/1 and 9/1 | 18.94% |
| Sub-total Variable Hedged | 199,865,000 | | | | | | 77.74% |
| No Interest Rate Swap | <u>57,215,000</u> | | | | | | <u>22.26%</u> |
| Total Variable Rate Debt | <u>\$257,080,000</u> | | | | | | <u>100.00%</u> |

¹Optional early par termination date 3/1/2028 and semiannual thereafter.

²Optional early par termination date 3/1/2030 and semiannual thereafter.

³Optional early par termination date 9/1/2031 and semiannual thereafter.

Note 1: SIFMA +0% from 6/1/22 to 9/1/31; 70% of USD-SOFR + 0.10% from 9/1/31 to 9/1/41.

Note 2: SIFMA +0% from 4/30/19 to 3/1/28; 70% of USD-SOFR+.08014% from 3/1/28 to 9/1/49.

Note 3: 70% of SOFR +.10%

NEBRASKA INVESTMENT FINANCE AUTHORITY
AMENDED SWAP MANAGEMENT AND EXECUTION POLICY
(Approved by the NIFA Board on October 20, 2023)

I. PURPOSE

The purpose of this Amended Swap Management and Execution Policy (the “Swap Policy”) is to set forth the guidelines that shall continue to govern the implementation, use, and management of interest rate exchange agreements and credit default swaps (collectively, “Swaps”) in conjunction with the management of the assets and liabilities of the Nebraska Investment Finance Authority (“NIFA”). This Swap Policy sets forth the manner of execution of Swaps and related agreements, provides for security and payment provisions, and sets forth certain other provisions related to agreements between NIFA and its swap counterparties. The purpose of this Swap Policy is to ensure compliance with applicable state and Federal law and provide guidance and flexibility to NIFA to effectively use Swaps in connection with various NIFA transactions.

This Swap Policy will be reviewed by NIFA no less than once every two (2) years and any recommendations for changes shall be considered and, if determined to be in the best interests of NIFA, made at the direction of the Executive Director of NIFA (the “Executive Director”) and as approved by the NIFA Board (the “NIFA Board”).

II. SCOPE OF POLICY

This Swap Policy shall govern NIFA’s use and management of Swaps. While adherence to this Swap Policy is required in applicable circumstances, NIFA recognizes that changes in the capital markets, NIFA programs, and other unforeseen circumstances may from time to time produce situations that are not specifically covered by this Swap Policy and may require modifications or exceptions to achieve NIFA’s goals. Any such changes to this Swap Policy may be made prior to or after a Swap becomes effective.

III. GENERAL OBJECTIVES FOR USE OF SWAPS

NIFA may use Swaps to limit or hedge variable or fixed rate payments, to achieve lower overall borrowing costs than a comparable unhedged fixed rate borrowing, to alter the pattern of debt service payments, for asset/liability matching purposes and to hedge the risk of potential financial loss in connection with its investments.

(a) Appropriate Uses of Swaps and Acceptable Strategies

NIFA shall consider the following strategies in using Swaps; however, additional strategies may be developed and used as necessary:

- Achieving savings over alternative products existing in the capital markets;
- Managing NIFA’s exposure to floating and fixed interest rates;

- Accessing the capital markets more rapidly than may be possible with conventional debt instruments;
- Managing NIFA's exposure to the risk of changes in the legal and regulatory treatment of tax-exempt bonds;
- Enabling NIFA to increase income, lower costs, or strengthen NIFA's financial position; and
- Managing NIFA's exposure to the risk of loss on its investments.

(b) Prohibited Uses of Swaps

NIFA shall not enter into Swaps for the purpose of speculation, i.e., if the sole purpose of the Swap is to generate income or investment gains.

IV. MANAGEMENT GUIDELINES

As a general rule, NIFA shall manage the risks of its Swaps on both its entire portfolio of Swaps and on each individual Swap. In each case, the degree of risk shall be evaluated in comparison with the degree of benefit provided. NIFA shall rely on its Swap Advisor (as described in Section V below) to provide sufficient financial market information to assist NIFA with monitoring and evaluating the effectiveness of its transactions and achieving its objectives.

(a) Swap Administrators

NIFA, through its Executive Director, shall designate one or more officers of NIFA to serve as Swap Administrators ("Swap Administrators"). The Swap Administrators shall have the day-to-day responsibility and individual authority for structuring, implementing and managing Swaps and legal compliance matters. Each Swap Administrator is authorized to act individually and, upon direction of the Executive Director, is authorized to take any actions necessary to comply with changes in law. The Swap Administrators shall monitor and evaluate (i) NIFA's overall use of Swaps and (ii) the risks and benefits of NIFA's entire portfolio of Swaps and of each individual Swap on an ongoing basis.

(b) Considerations for the Use of Swaps

Like other financial instruments and contracts entered into by NIFA, Swaps have inherent risks that NIFA must understand prior to entering into or modifying a Swap. Before NIFA enters into, modifies or terminates a Swap, it shall consider the following:

- The appropriateness of the Swap for NIFA based on the balance of risks and rewards presented by the proposed Swap;
- The identity and credit quality of the counterparty, including any collateral posting requirements and termination events related to credit ratings;
- Potential effects that the Swap may have on the credit ratings assigned to NIFA and/or bonds issued by NIFA;

- The potential impact of the Swap on any areas where NIFA's capacity is limited, now or in the future, including the use of variable-rate debt, bank liquidity facilities or letters of credit, and bond insurance;
- The ability of NIFA to handle any administrative burden that may be imposed by the Swap, including accounting and financial reporting requirements;
- The advice of NIFA's Swap Advisor as to the potential risk of any proposed Swap; and
- Other implications of the proposed Swap as warranted.

(c) Accounting Treatment for Swaps

NIFA shall comply with all applicable accounting standards with respect to the treatment and reporting of Swaps.

(d) Recordkeeping

The Swap Administrators shall be responsible for overseeing all records related to all Swaps which were in effect on or after July 10, 2010. The Swap Administrators shall ensure that such records are (i) accessible within 5 business days of any request by a member of the Board of NIFA and any regulatory authority, and (ii) maintained for at least 5 years after the termination of each Swap. At a minimum, NIFA shall maintain copies of all Swap agreements, including the ISDA Master Agreement, modifications, novations, and any related agreements, as well as any correspondence with counterparties with respect to such agreements, including collateral demands and price quotations.

V. SWAP ADVISOR

The Executive Director shall select and retain a qualified independent representative to serve as a consultant to NIFA (the "Swap Advisor") to provide guidance with respect to Swaps. The Swap Advisor may, but is not required to, also serve as NIFA's financial advisor. NIFA may retain more than one Swap Advisor, however, all Swap Advisors must meet the criteria and conditions listed below.

(a) Qualifications

Each of NIFA's Swap Advisors shall meet the following criteria:

- have substantial experience advising state and local governments with respect to Swaps and have sufficient knowledge to evaluate any transaction and its risks;
- be independent from any swap counterparty or proposed swap counterparty, and not be recommended to NIFA by any swap counterparty;
- not be subject to statutory disqualification under the Commodities Exchange Act or the Securities Act of 1933;

- disclose any material conflicts of interest that could affect its judgment with respect to its duties as NIFA's Swap Advisor;
- comply with all applicable state and federal laws with respect to political contributions to public officials;
- enter into a written agreement with NIFA in which the Swap Advisor agrees to: (i) comply with the requirements of Commodity Trading Futures Corporation regulation 23.450(b)(1) and (ii) make the written representations required by Commodity Trading Futures Corporation regulation 23.450(d)(1)(ii); and
- meet all other criteria set forth in Commodity Trading Futures Corporation regulation 23.450(b)(1) as amended from time to time.

(b) Responsibilities

NIFA shall consult with the Swap Advisor with respect to all proposed Swaps, including any modifications, cancellations, purchases, and the exercise of any options. The Swap Advisor shall also consult with NIFA with respect to the overall management of NIFA's Swaps, including such matters as recordkeeping and legal compliance. The Swap Advisor shall provide NIFA with its evaluation of each Swap, including:

- *Suitability*: whether the Swap meets NIFA's stated objectives and financial limitations and complies with this Swap Policy;
- *Fair Pricing*: the Swap Advisor is not required to provide pricing or price quotations, but shall evaluate the price being offered in accordance with NIFA's directions and obtain quotations from other dealers as necessary; and
- *Risks*: evaluate the risks of the Swap in accordance with this Swap Policy.

(c) Annual Review

The Swap Administrators shall review the performance of the Swap Advisor annually to ensure compliance with this Swap Policy and to evaluate the service provided by the Swap Advisor. The Swap Administrators shall report on the annual review to the Executive Director. In connection with this annual review, the Swap Advisor shall represent, in writing, that it meets the criteria listed in sub-paragraph V. (a) above and that it shall at all times act in NIFA's best interests.

VI. SWAP COUNTERPARTIES

(a) Selection of Swap Counterparties

NIFA may select counterparties for entering into Swaps on either a negotiated or competitive basis. In general, NIFA expects to competitively bid Swap transactions to ensure competitive rates and terms. In certain instances, however (such as in connection with a more complex financing, an illiquid market, expedited transaction timing, or a proprietary trading index), it may be advantageous for NIFA to negotiate a Swap with an approved counterparty. NIFA shall obtain a fair pricing certificate from its Swap Advisor when executing a Swap to assure transparency in either case, competitive or negotiated.

(b) Qualified Swap Counterparties; Creditworthiness of Swap Counterparties

NIFA shall enter into Swaps with qualified swap counterparties. Qualified swap counterparties (or their guarantors) must be rated at a level sufficient to maintain the rating on the applicable bond indenture or, if not related to an indenture, the agreement with such counterparties does not adversely affect the general obligation rating of NIFA. In general, NIFA shall consider the following factors in selecting counterparties:

- **Credit Standards:** Standards of creditworthiness, as measured by credit ratings, shall determine eligible counterparties. Differing standards may be employed depending on the term, size and interest-rate sensitivity of a transaction, type of counterparty, and potential for impact on NIFA's credit rating or the rating of the applicable indentures. NIFA shall only enter into Swaps where the counterparty rating is high enough to maintain the rating on the bonds or, if such Swap is not entered into in connection with bonds, entering into the Swap does not adversely affect the general obligation rating of NIFA;
- **Diversification of Exposure:** NIFA shall seek to avoid excessive concentration of exposure to a single counterparty by diversifying its counterparty exposure over time; and
- **Collateral Requirements:** As part of any Swap, NIFA may consider whether and how much collateral may be required of NIFA or the counterparty.

The foregoing Amended Swap Management and Execution Policy replaces any prior swap management and execution policies of NIFA (including the policy dated 9/15/2016; as amended on 1/24/2019) and shall be in effect on and after October 20, 2023.

By: _____
Shannon R. Harner
Executive Director

NIFA Programs Committee Report to the Board of Directors October 10, 2023

Committee Members:

Warren Arganbright, Chair
Susan Bredthauer
Herb Freeman
Sherry Vinton

Others Attending:

Shannon Harner
Robin Ambroz
Sara Tichota
Pamela Otto

Meeting Details:

Tuesday, October 10, 2023, at 9:00 AM via Video Conference

Summary of Meeting Discussion:

Election of Committee Chair

2024 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. Warren Arganbright 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.

CRANE Program

Oversubscription – A discussion took place regarding the applications currently in CRANE. Also, the challenges and opportunities that may arise from several developments meeting a Category 1 at the same time were reviewed.

A request from a developer, who received a forward binding commitment on April 22, 2022, of 2023 LIHTC/AHTC, to change the placed-in-service date from the board-imposed date of December 2024 to the IRS deadline of December 2025 was discussed.

Multifamily Bond Program

Two 2023 developments switching to NIFA as Bond Issuer
Discussion regarding per project Volume Cap Limit.

Recommended for Board Action: Motion to Approve Conditional Reservations for 2024 LIHTC and AHTC Programs.

Recommended for Board Action: Consideration of a Motion to Amend the Motion Passed by the NIFA Board on April 22, 2022 with Respect to Approval of Conditional Reservations – Future Binding Commitments for Category 1 CRANE Projects

Committee adjourned at 10:02 a.m.

NIFA Board of Directors Meeting

October 20, 2023

Agenda Item #07

Consideration of Approval of Conditional Reservations for 2024 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 2024 LIHTC and AHTC Program (9% LIHTC and AHTC) under the competitive process.

- Thirteen (13) applications were for developments to be located in metro areas and four (4) 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 2024-2025 Housing Credit Allocation Plan for 9% LIHTC/AHTC, which was approved April 21, 2023, by the NIFA Board of Directors and approved by Governor Jim Pillen on May 10, 2023.

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.

**NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
2024 9% LIHTC FULL APPLICATION LIST
(updated 9/15/2023)**

| 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 |
|-------------------|--|---|------------------|----------------|----------------|-----------------|---------------|--|------------------|---|-------------------|--------------------|-------------------|
| 7-1055 | Millard Landing 12656 Weir Street Omaha, NE 68137 | Arch Icon Development Company 509 Walker Street Woodbine, IA 51579 Darin Smith: 712.647.3355 | Douglas | 52 | 41 | 11 | 1 | New Construction Metro Multifamily Seniors Disaster Declaration | For Profit | Conventional Loan NDED HTF - \$1,000,000 City HOME Funds Managing Member Loan Front Porch | \$13,269,989 | \$699,930 | \$699,930 |
| 7-1056 | Corby 38 Limited Partnership various addresses 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 NDED HOME - \$500,000 Owner Equity | \$10,787,709 | \$579,568 | \$579,568 |
| 7-1057 | Southlawn V various addresses Grand Island, NE 68801 | Midwest Housing Initiatives, Inc. P.O. Box 5425 Lincoln, NE 68505 Corey Vandewege: 402.434.2523 | Hall | 36 | 28 | 8 | 7 | Rehabilitation Non-Metro Multifamily Seniors Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan NDED HOME - \$750,000 Deferred Developer Fee Owner Equity | \$5,830,282 | \$363,860 | \$363,860 |
| 7-1058 | Cardinal Commons II S 13th St & Kasper St Bellevue, NE 68147 | Midwest Housing Initiatives, Inc. P.O. Box 5425 Lincoln, NE 68505 Corey Vandewege: 402.434.2523 | Sarpy | 26 | 22 | 4 | 13 | New Construction Metro Duplex Seniors Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Tax Increment Financing Owner Equity | \$9,639,578 | \$527,024 | \$527,024 |
| 7-1059 | Shadow Lake Senior Villas Stony Point Dr & S 70th Street Papillion, NE 68046 | AMD Partners LLC 1440 Erie Street, Suite A North Kansas City, MO 64116 Andrew Danner: 816.612.5191 | Sarpy | 36 | 28 | 8 | 6 | New Construction Metro Multifamily Seniors | For Profit | Conventional Loan NDED HTF - \$950,000 Deferred Developer Fee Owner Equity | \$10,326,775 | \$642,998 | \$642,998 |
| 7-1060 | River Fork Villas II N of E Omaha Ave & W of Victory Rd Norfolk, NE 68701 | Mesner Development Co 1415 16th Street, PO Box 335 Central City, NE 68826 Kathy Mesner: 308.946.3826 | Madison | 18 | 14 | 4 | 9 | New Construction Non-Metro Duplex Seniors | For Profit | Conventional Loan NDED HOME - \$650,000 Deferred Developer Fee | \$4,868,326 | \$306,294 | \$306,294 |
| 7-1061 | Fairview Villas S of F Street & E of Franklin Street Hastings, NE 68901 | Mesner Development Co 1415 16th Street, PO Box 335 Central City, NE 68826 Kathy Mesner: 308.946.3826 | Adams | 28 | 22 | 6 | 14 | New Construction Non-Metro Duplex Seniors | For Profit | Conventional Loan NDED HOME - \$650,000 Deferred Developer Fee Owner Equity | \$7,051,057 | \$446,284 | \$446,284 |
| 7-1062 | Carstens Gardens Apartments 1700 Park Street Beatrice, NE 68310 | TESCO Development, Inc. 2171 Judicial Drive, Suite 200 Germantown, TN 68133-3824 Jennifer Sisson: 901.759.7269 | Gage | 50 | 50 | 0 | 2 | Acq. Rehab Non-Metro Multifamily Seniors | For Profit | Conventional Loan Deferred Developer Fee R4R & Escrows | \$6,767,030 | \$440,755 | \$440,755 |
| 7-1063 | Tallgrass Family Housing 6801 Capehart Papillion, NE 68133 | Hoppe & Son, LLC 5631 S 48th Street, Suite 220 Lincoln, NE 68516 Jacob Hoppe: 402.489.1600 | Sarpy | 34 | 27 | 7 | 5 | New Construction Metro Multifamily/Duplex Family Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee Solar Tax Credits | \$13,152,570 | \$629,761 | \$629,761 |
| 7-1064 | Tallgrass Senior Housing 7001 Capehart Papillion, NE 68133 | Hoppe & Son, LLC 5631 S 48th Street, Suite 220 Lincoln, NE 68516 Jacob Hoppe: 402.489.1600 | Sarpy | 34 | 27 | 7 | 4 | New Construction Metro Multifamily Seniors Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee Solar Tax Credits | \$9,846,546 | \$429,899 | \$429,899 |
| 7-1065 | Arbor Flats 2510 S. 61st Street Omaha, NE 68106 | Brinshore Development, LLC 1603 Orrington Avenue, Suite 450 Evanston, IL 60201 Todd Lieberman: 224.927.5061 | Douglas | 70 | 52 | 18 | 1 | New Construction Metro Multifamily Disaster Declaration Housing CDBG-DR | Non-Profit | Conventional Loan City HOME Funds Deferred Developer Fee CHOICE Neighborhoods | \$30,818,012 | \$1,050,000 | \$1,050,000 |

**NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
2024 9% LIHTC FULL APPLICATION LIST
(updated 9/15/2023)**

| 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 |
|-------------------|---|--|------------------|----------------|----------------|-----------------|---------------|--|------------------|---|----------------------|--------------------|--------------------|
| 7-1066 | The Flora Lofts 2557 Jones Street Omaha, NE 68105 | RMDX Development 119 N 72nd Street, Suite 100 Omaha, NE 68114 Matt Dougherty: 402.659.2847 | Douglas | 39 | 31 | 8 | 1 | New Construction Metro Multifamily Seniors Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Tax Increment Financing Deferred Developer Fee Owner Equity | \$12,200,525 | \$594,505 | \$594,505 |
| 7-1067 | Victory Park Seniors Residence 600 S 70th Street Lincoln, NE 68510 | Burlington Capital Real Estate, LLC 1004 Farnam Street, Suite 400 Omaha, NE 98102 George Achola: 402.930.3090 | Lancaster | 84 | 71 | 13 | 1 | New Construction Metro Multifamily Seniors | For Profit | Conventional Loan Tax Increment Financing Owner Equity | \$17,814,338 | \$1,036,464 | \$1,036,464 |
| 7-1068 | High Pointe Apartments Angels Share Dr & James R Hansen Blair, NE 68008 | Straightline Development, LLC 16255 Woodland Dr Omaha, NE 68136 Jim Posey: 402.660.9700 | Washington | 27 | 21 | 6 | 1 | New Construction Metro Multifamily Disaster Declaration | For Profit | Conventional Loan NDED HOME - \$750,000 Deferred Developer Fee | \$7,432,842 | \$413,912 | \$413,912 |
| 7-1069 | Rows at Spaulding 5150 Spaulding Omaha, NE 68104 | Straightline Development, LLC 16255 Woodland Dr Omaha, NE 68136 Jim Posey: 402.660.9700 | Douglas | 16 | 13 | 3 | 4 | New Construction Metro Duplex Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee | \$7,424,000 | \$329,984 | \$329,984 |
| 7-1070 | Villas at Spring Ridge 2029 Cary Circle Bellevue, NE 68147 | Straightline Development, LLC 16255 Woodland Dr Omaha, NE 68136 Jim Posey: 402.660.9700 | Sarpy | 15 | 12 | 3 | 15 | New Construction Metro Single Family Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee | \$7,541,328 | \$351,809 | \$351,809 |
| 7-1071 | Villas at Alta Collina 13315 S 49th Street Bellevue, NE 68133 | Straightline Development, LLC 16255 Woodland Dr Omaha, NE 68136 Jim Posey: 402.660.9700 | Sarpy | 15 | 12 | 3 | 15 | New Construction Metro Single Family Disaster Declaration Housing CDBG-DR | For Profit | Conventional Loan CDBG-DR - \$2,000,000 Deferred Developer Fee | \$7,541,328 | \$351,809 | \$351,809 |
| TOTAL | | | | 604 | 495 | 109 | 123 | | | | \$182,312,235 | \$9,194,856 | \$9,194,856 |

Metro



Exhibit 1 – One Page Summary Millard Landing

Arch Icon Development is proposing new, affordable, senior housing at 12656 Weir Street in the Millard East neighborhood to be called Millard Landing. The location is mostly residential with some commercial to the south. The lot is nearly 3 acres of mostly green space with one small building and gravel parking. The Old Millard East Neighborhood Association (OMENA) is an older, well-established neighborhood. In discussion with multiple neighborhood members, the development will help supply the lack of quality, affordable senior housing which currently has a two to three year wait list. The property is zoned R6 which allows for multifamily housing and is designated for high density residential development in the City of Omaha's master plan. A Phase I Environmental Site Assessment of the property has been performed and found no adverse environmental impacts.

Millard Landing will consist of 52 two-bedroom, one-bathroom apartments of 898 square feet on 3 floors. Each unit will have a washer & dryer, refrigerator, oven, microwave and dishwasher along with a dedicated workspace. 6 ADA units will be provided. Building amenities will include a lower-level garage parking, elevator, community room, storm shelter, supportive services space and leasing office.

Millard Landing will be a mixed income development with rents targeting seniors in a range of Area Median Incomes including 5 NHTF units at 30% (\$556), 1 LIHTC unit at 40% (\$783), 3 City HOME units at 50% (FMR/High/Low HOME \$959), 18 LIHTC units at 50% (\$1,009), 14 LIHTC units at 60% (\$1,168) and 11 market rate units (\$1,360).

Architecturally, the building will be designed to blend with the neighborhood. The exterior will have a minimum 25% masonry design element on street elevations in colors to closely match the neighborhood. The project will include significant site landscaping. The total building area is approximately 80,000 square feet with 46,696 net residential square feet. There will be 55 stalls in the lower-level garage and an additional 50 surface stalls to the west of the building.

Millard Landing is unique in that it is in an older neighborhood in Millard, a west Omaha neighborhood that has an older population. As such, it is ideal for a senior housing development located within 3 minutes of the Eastern NE Office on Aging. It is also not in a QCT and not in a Choice Neighborhood where affordable housing is being concentrated as is the case in north and south Omaha because 1.) some ARPA funding requires location in a QCT and, 2.) NIFA 9% LIHTC points for QCT's and Choice Neighborhood's drive concentration of affordable housing to north and south Omaha. Millard Landing will be a great example of how to better distribute affordable housing throughout an entire urban community.

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 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.
- HNHC retains the software Rent Plus to provide rent reporting to tenants of Corby 38.

Note: Since Corby 38 consists of single family, scattered site homes, if any Corby 38 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 40+ 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.

Cardinal Commons II – Bellevue, Nebraska

Project Description

The proposed Cardinal Commons II project is located at S 13th St and Kasper St, Bellevue, Sarpy County, Nebraska. This second phase of the Cardinal Commons development will consist of the new construction of 13 senior duplexes (26 units). All 26 units will consist of two bedrooms and one bathroom.

The Cardinal Commons II site is comprised of approximately 5.05 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 13 senior duplexes (26 units), infrastructure work, site work, and building a community garden. Some of the street work, infrastructure work and grading will already be done from the development of the first phase.

Unit Makeup (Are Median Income – AMI)

- 8 PBV units at 60% AMI at \$1,050 a month*
- 11 units at 50% AMI at \$750 a month*
- 3 units at 40% AMI at \$700 a month*
- 4 market-rate units at \$900 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 garden, single-car garage, washer, dryer, dishwasher, refrigerator, stove, microwave, storage area, and a rear patio. The Cardinal Commons II project will pay for up to 312 round trips of transportation, 12 per household, using the Omaha Metro Public Transportation. Also, the Cardinal Commons II 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 II is approximately \$9,639,578. The funding for the project is comprised of: tax credit equity (Federal and State) of \$6,366,014, CDBG-DR funds totaling \$2,000,000, GP Equity of \$241,000, Tax Increment Financing (TIF) of \$200,000 and permanent financing of \$832,564. 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. Other reserves include debt service reserve and a street maintenance reserve and Kasper Street improvement reserve. The development is setting aside \$130,000 for the City's Kasper Street planned improvement assessment. \$200 of the monthly replacement reserve is for the maintenance of the private street required by the City of Bellevue.

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 II 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.

Exhibit 1**Narrative of Development**

Shadow Lake Senior Villas is a 36-unit mixed income affordable housing proposal located at or about S 70th Street and Stony Point Drive in Papillion, NE 68046. The development will be comprised of fourteen (14) 1 bedroom / 1 bathroom units, each being 727 SF and twenty-two (22) 2 bedroom / 1 bathroom units, each being 873 SF. The units will be constructed as rowhomes / townhomes in 6-plex and 8-plex configurations.

The development will offer 30%, 50%, and 60% AMI units, along with market rate units to create a mixed-income community. The below table details the unit mix:

| # of Bedrooms | # of Units | AMI % |
|----------------------|-------------------|--------------|
| 1 | 2 | 30% |
| 1 | 4 | 50% |
| 1 | 8 | Market |
| 2 | 3 | 30% |
| 2 | 10 | 50% |
| 2 | 9 | 60% |

Shadow Lake Senior Villas is conveniently located near the Shadow Lake Shopping Center which features a host of shopping and general consumer options including: HyVee Grocery Store, Dick's Sporting Goods, T.J. Maxx, Old Navy, JC Penney, First National Bank of Omaha, Olive Garden, Texas Roadhouse, and Buffalo Wild Wings, among others. Located south of Highway 370, the development is located in a growing corridor among newer commercial and residential developments with great access to major thoroughfares.

The buildings will be constructed with an aesthetically pleasing exterior façade and will include in-unit washers and dryers, dishwashers, refrigerators, range, and microwave, among other in-unit amenities. Development amenities will include a community building, community garden, outdoor exercise equipment, and ample parking for residents and guests.

Services provided to our residents will include: semi-annual clean up events at no cost to our tenants, Esusu monthly rent reporting at no cost to tenants, and monthly organized on-site tenant activities, which may include: nutrition and cooking classes, health and wellness enrichment classes, and assistance in preparing a vial of life, among others. We have a letter of commitment (attached) from Horizon Housing Foundation to provide funding and services in conjunction with our management company Excel Development Group.

Additional Application Explanations:

- 1) We are requesting a 30% basis boost in connection with this development as there are no LIHTC developments listed in this census tract (106.20) on the NIFA Active Project List dated 6/2/2023.
- 2) We are requesting the full 5 points for Targeting Gross Rents. We have five (5) units at 30% AMI - only 4 are required to earn the 3 points. We have fourteen (14) units at 50% AMI plus the 1 excess 30% unit gets us to the required 15 or more units at or below 50% to earn the 2 points.

Thank you,

AMD Partners LLC

Horizon Housing Foundation

July 20, 2023

AMD Partners LLC
ATTN: Matthew Danner
1440 Erie Street, Ste A
North Kansas City, MO 64116

Re: Memorandum of Understanding to Provide Resident Services at Papillion

Dear Mr. Danner,

Please accept this letter as evidence of Horizon Housing Foundation's (HHF) intent to support social services for the residents of your proposed affordable housing property Papillion located in Nebraska. This commitment is contingent upon the involvement of Sugar Creek Capital as the "State LP" in the state Low-Income Housing Tax Credits for this property.

HHF will commit \$8,000 annually to go towards resident social services focused on education, building community, health and wellness programing for residents. HHF will budget \$48,000 in total toward supporting services at Papillion for the length of the 6 years of the state LIHTC credit period. These supportive services would be provided at no cost to the property or its residents.

Horizon staff will work closely with AMD Partners LLC, onsite property management staff, and other social service partners to ensure a seamless and coordinated delivery of services to residents at the property. The service plan will be adjusted annually based on our annual resident needs assessment process, but based on our experience we expect to serve residents with programs such as quarterly social events, health and wellness programs, food security and nutrition education programs, access to technology, and opportunities for lifelong learning, among other topics.

HHF is a 501(c)3 nonprofit that has been coordinating services at Low-Income Housing Tax Credit properties since its inception in 2000. In 2022, Horizon provided services promoting health, education, and strong communities at over 120 LIHTC properties. We have experience working with developers, housing authorities, property managers, and residents to assess the needs of the tenants, develop and implement service plans and/or add additional support to existing service plans. We have developed an extensive network of partners to work with us to execute impactful programing.

HHF looks forward to being a part of the team that will serve the residents of Papillion, and we are dedicated to providing high quality services that will improve the lives of the residents we serve.

Sincerely,



Daniel Lee
Executive Director
Horizon Housing Foundation

23 N. Gore Ave. Ste. 202, St. Louis, MO 63119
www.horizonhf.org
314-269-0809

EXHIBIT 1 - Summary of Proposed Development

Tallgrass Family Housing is a proposed 9% LIHTC rental housing project located in Papillion, Nebraska. The project will utilize roughly 2.7 acres out of an approximately 29 acre greater development. The location is near major transit corridors and is adjacent to a future elementary school. It is located in an area identified as “Overall Very High” for Child Opportunity Levels. The affordable housing project will be integrated into a new development neighborhood with a variety of commercial services, including both large and small-scale commercial users, market rate ownership and rental housing opportunities with shared community amenities. Construction is anticipated to start in the summer of 2024.

Buildings & Amenities

Tallgrass Family Housing will consist of 34 units (14 3-bedroom, and 20 4-bedroom units) configured into 5 different buildings in a rowhome typology. All units will have an attached garage, washer and dryer, and ceiling fans in all bedrooms. The project will feature a playground. Lawn care, snow removal, sewer and water, and trash services will be paid by the development; tenants will pay electricity.

Zoning, Land Use, and Redevelopment

The process has been started to have the area zoned as MU-Mixed Use. A revised preliminary plat, change of zone, final plat, amendment to the Oak Leaf Subdivision Agreement, and Mixed Use Development Agreement will be required. The preliminary plat and change of zone applications have been submitted and will require review by Papillion Planning Commission prior to consideration at City Council. The revised preliminary plat, change of zone, final plat, Subdivision Agreement Amendment, and Mixed Use Development Agreement will require approval by Papillion City Council. We are projecting final approval will be obtained on December 19, 2023.

Rents & Eligibility

The project proposes to rent 80% of the units 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 40% of the total unit to have a targeted gross rent that is affordable to households whose income is 50% of the applicable AMI, and 10% of the total unit to have a targeted gross rent that is affordable to households whose income is 40% of the applicable AMI. 20% of the units will be market rate.

Source & Uses of Funds

The total project will cost approximately \$13.1mm. In addition to conventional debt financing, CDBG-DR funds, and a deferred developer fee (25% of the total developer fee), the developer has received a \$1.4mm loan from Front Porch Investments, \$700,000 of which has been committed to site acquisition and preparation for this project, and is a source of construction financing. The Exhibit 111 will enumerate the exact numbers.

Difficult to Develop Area & Concerted Community Revitalization Plan

The project is located in a HUD defined MID area and DDA (ZCTA 68133). Further, the Tallgrass Family Housing project contributes to a Concerted Community Revitalization Plan. The Sarpy County & Communities, Nebraska, County-Wide Housing Study with Strategies for Housing Affordability (Plan) has a priority for the provision of housing for low-income households.

EXHIBIT 1 - Summary of Proposed Development

Tallgrass Senior Housing is a proposed 9% LIHTC rental housing project located in Papillion, Nebraska. The project will utilize roughly 2.8 acres out of an approximately 29 acre greater development. The location is near major transit corridors and is adjacent to a future elementary school. It is located in an area identified as "Overall Very High" for Child Opportunity Levels. The affordable housing project will be integrated into a new development neighborhood with a variety of commercial services, including both large and small-scale commercial users, market rate ownership and rental housing opportunities with shared community amenities. Construction is anticipated to start in the summer of 2024.

Buildings & Amenities

Tallgrass Senior Housing will consist of 34 2-bedroom units configured into 4 different buildings in a rowhome and multifamily typology. All units will have a washer and dryer and ceiling fans in all bedrooms. The project will feature outdoor senior exercise equipment and a pickleball court with equipment. Lawn care, snow removal, sewer and water, and trash services will be paid by the development; tenants will pay electricity.

Zoning, Land Use, and Redevelopment

The process has been started to have the area zoned as MU-Mixed Use. A revised preliminary plat, change of zone, final plat, amendment to the Oak Leaf Subdivision Agreement, and Mixed Use Development Agreement will be required. The preliminary plat and change of zone applications have been submitted and will require review by Papillion Planning Commission prior to consideration at City Council. The revised preliminary plat, change of zone, final plat, Subdivision Agreement Amendment, and Mixed Use Development Agreement will require approval by Papillion City Council. We are projecting final approval will be obtained on December 19, 2023.

Rents & Eligibility

The project proposes to rent 80% of the units 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 40% of the total unit to have a targeted gross rent that is affordable to households whose income is 50% of the applicable AMI, and 10% of the total unit to have a targeted gross rent that is affordable to households whose income is 40% of the applicable AMI. 20% of the units will be market rate.

Source & Uses of Funds

The total project will cost approximately \$9.8mm. In addition to conventional debt financing, CDBG-DR funds, and a deferred developer fee (25% of the total developer fee), the developer has received a \$1.4mm loan from Front Porch Investments, \$700,000 of which has been committed to site acquisition and preparation for this project, and is a source of construction financing. The Exhibit 111 will enumerate the exact numbers.

Difficult to Develop Area & Concerted Community Revitalization Plan

The project is located in a HUD defined MID area and DDA (ZCTA 68133). Further, the Tallgrass Senior Housing project contributes to a Concerted Community Revitalization Plan. The Sarpy County & Communities, Nebraska, County-Wide Housing Study with Strategies for Housing Affordability (Plan) has a priority for the provision of housing for low-income households.



Arbor Flats



Project Summary

The 70-unit Arbor Flats is the second housing phase of the Southside Terrace – Indian Hill HUD Choice Neighborhoods Transformation Plan, which is supported by a \$50 million Choice Neighborhoods Implementation (“CNI”) grant from the United States Department of Housing and Urban Development. The new construction project will consist of one four-story elevator building offering one, two, and three-bedroom units.

All housing phases of the Southside Terrace – Indian Hill Choice Neighborhoods Transformation Plan will create mixed-income communities which will offer a variety of housing types to a range of household sizes. Arbor Flats is the only phase of the larger Southside Terrace redevelopment effort to be located outside of the Indian Hill neighborhood. The Arbor Flats site is located in a non-impacted census tract with a poverty rate below 20%, with ready access to significant amenities and transportation, and locational options to residents in a community that also has high quality schools.

Context

Arbor Flats is the first off-site phase of the Southside Terrace – Indian Hill Transformation Plan. The site is located at South 61st and Arbor Streets, just four blocks southeast of Aksarben Village and one block south of Center Street. This is a unique location in a vibrant and active neighborhood adjacent to many employers. Nearby amenities include Baxter Arena, Elmwood Park, Aksarben Cinema, and Stinson Park at Aksarben Village which offers a variety of entertainment programming throughout the year. A Hy-Vee grocery store and WalMart Superstore are located in close proximity, and a farmer’s market is held at Aksarben Village. Nearby schools include Belle Ryan Elementary School, Norris Middle School, newly constructed Buena Vista High School, and the College of St. Mary. The University of Nebraska-Omaha is just over a mile to the North. Metro Bus Route #15 is accessible a block north of Arbor Flats.

Unit/Income Mix

74% or 52 units of the 70-unit development total will be income restricted at below 40% to 60% Area Median Income (“AMI”). 34 of these units will have Project Based Vouchers. 26% or 18 of the 70 units will be unrestricted market rate units.

| Unit Type | Count | Monthly Rent |
|-----------|-------|--------------|
| 1 Bedroom | 27 | \$725-975 |
| 2 Bedroom | 27 | \$999-1,150 |
| 3 Bedroom | 16 | \$1,440 |
| Total | 70 | |

Developer Background

Arbor Flats is a collaboration between Brinshore Development, LLC, the Omaha Housing Authority, and Canopy South, a non-profit organization located in and focused on South Omaha’s holistic revitalization.

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/lounge area with kitchenette, exercise room, outdoor amenity space, and in-unit washers and dryers.

Development Team

The project will be designed by Holland Basham Architects from Omaha, NE. Ehrhart Griffin and Associates will provide civil engineering services. Seldin Company will be the property manager. An integrated design process will be employed as additional members of the consultant team are selected.

Financing

The project will be financed with a mix of 9% Federal and State Low Income Housing Tax Credit Equity, CNI Grant funds, Community Development Block Grant – Disaster Recovery, philanthropic support, and deferred developer fees.

Economic Impact

Arbor Flats addresses the need for quality affordable housing in Omaha by offering a variety of unit types for a variety of income levels in an area of opportunity. The development will plug into existing city services and high-quality schools. Arbor Flats residents will also benefit from accessibility to quality jobs and neighborhood amenities. The project will create several permanent full-time jobs and a number of construction jobs.

Exhibit 1

Flora Senior Lofts

This new construction will include 39 units of 1- & 2-bedroom units for seniors 55+. It will have 25 parking stalls in the first-floor parking garage along with street parking. There will be a community room for residents to have activities and a storm shelter in the parking garage. Its located in the heart of downtown Omaha with many support services and amenities located nearby.

This site was previously a historic building that was shut down by the City of Omaha in January of 2022 for code violations and residents were relocated to new housing units. It was purchased by the current owners in November 2022 with the full intent to do a historic rehab and put back 19 units. In May 2023 a homeless individual broke into the property and started a fire destroying the building. An emergency demolition order was issued from the City of Omaha, and it was demolished in June 2023.

Victory Park Seniors Housing Residence

Victory Park is a comprehensive planned redevelopment of the Lincoln, NE Veterans Administration campus into a vibrant community focused upon housing, medical care and services for Seniors and Veterans. Pursuant to an Enhanced Use Lease initiative, the Department of Veteran's affairs leased the land and/or buildings under the jurisdiction and/or control of Victory Park to Burlington Capital Real Estate, LLC for a term not to exceed 75 years.

The First phase of the redevelopment of Victory Park was the development of a Low-Income Housing Tax Credit 3-story building comprising 70 units of permanent supportive housing that is supported by HUD/VASH housing vouchers. This project, Victory Park Seniors Housing, is the next phase of the redevelopment. The summary information for the project is:

Development Name: Victory Park

Project Name: Victory Park Seniors Housing Residence

Development Address: 600 South 70th Street Lincoln, Nebraska (Lancaster County)

Project Type:

- Two wing new construction three story senior Apartment Complex
- Seniors 55+

Total Number of Units: 84

- 71 affordable
- 13 market
- All 2bedroom/1bath units approximately 1,000 square feet per unit.
- \$900 per month for affordable units/\$925 per month for market rate unit

High Point Apartments

High Point Apartments will be much needed new construction multi-family affordable housing on vacant land at the old Dana College site in Blair, NE. There will be one new construction building consisting of 3 floors and 27 units in total. There will be a unit mix of 9 one bedroom units, 12 two bedroom units, and 6 three bedroom units.

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

Funding for High Point Apartments 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.

Rows at Spaulding

Rows at Spaulding will be much needed new construction infill housing on vacant land in the City of Omaha on 51st Ave and Spaulding Street. There will be 4 new construction buildings consisting of 4 units per building, for a total of 16 units. This will include 8 three bedroom units and 8 4 bedroom units consisting of 1,715 finished sf and 2,030 finished sf, respectively.

The land sits in residential area and is entitled for the proposed use. Our 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 Rows 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.

Villas at Spring Ridge

Villas at Spring Ridge will be much needed new construction affordable housing units on buildable lots within the Spring Ridge Subdivision in Bellevue, NE. There will be 15 new construction single family homes all with 4 bedrooms, 2 bathrooms, and 1832 total finished sq ft.

The land sits in residential area and is entitled for the proposed use. Our market study shows strong demand for affordable single-family housing. Funding for Villas at Spring Ridge 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.

Villas at Alta Collina

Villas at Alta Collina will be much needed new construction affordable housing units on buildable lots within the Alta Collina Subdivision in Bellevue, NE. There will be 15 new construction single family homes all with 4 bedrooms, 2 bathrooms, and 1832 total finished sq ft.

The land sits in residential area and is entitled for the proposed use. Our market study shows strong demand for affordable single-family housing. Funding for Villas at Alta Collina 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.

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 160,000 square feet (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 - \$640 a month*
- 15 two-bedroom units at 50% AMI rent levels - \$600 a month*
- 4 two-bedroom units at 40% AMI rent levels - \$560 a month*
- 8 two-bedroom units at Market-Rate rent levels - \$680 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 \$5,830,282. The funding for the project is comprised of: tax credit equity (Federal and State) of \$4,394,986, HOME funds totaling \$750,000, GP equity of \$75,000, deferred developer fees of \$66,561 and permanent financing of \$543,735.

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.

River Fork Villas II is a proposed 18-unit rental housing project to be occupied by Seniors aged 55 and older, located in Norfolk, Nebraska. The units will be on the southeast side of town – north of E. Omaha Avenue (Highway 275) and west of North Victory Road in Norfolk, Nebraska. The City of Norfolk has a population of 24,651 as of 2023 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 18 single story two-bedroom rental units (nine buildings). The units will have 998 square feet of living space. All units will include an attached 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 its own raised planter box by the back patio with a watering system that can be used by the tenant.

14 of the 18 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. Three of these units will also be designated as HOME units. The four (4) remaining units will be market rate.

The total project cost is \$4,868,326. Of this amount, \$2,542,240 will be funded with Federal Low-Income Housing Tax Credit equity, \$1,121,036 will be funded with State Affordable Housing Tax Credit equity, \$650,000 will be HOME Funds from DED, \$80,050 will be in the form of a Deferred Developer Fee, and \$475,000 will be in the form of a conventional first mortgage.

Mesner Development Co. of Central City, Nebraska is the LIHTC Applicant, Developer, and Management Agent of the project. Mesner Development Co. will also be the Managing Member of River Fork Villas II, LLC, the ownership entity of the project. NeighborWorks Northeast 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 of the units are handicapped adaptable and will meet visitability standards. One unit will meet all UFAS requirements for accessibility and one unit will be designated as a VHI accessible unit.

Fairview Villas is a proposed 28-unit rental housing project to be occupied by Seniors aged 55 and older, located in Hastings, Nebraska. The units will be on the southwest side of town – west of S. Burlington Road and south of F Street in Hastings. The City of Hastings has a population of 25,152 as of the 2020 census 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 28 single story two-bedroom rental units (fourteen buildings). The units will have 998 square feet of living space. All units will include an attached 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 its own raised planter box by the back patio with a watering system that can be used by the tenant.

22 of the 28 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 of these units will be designated as HOME units. The six remaining units will be market rate.

The total project cost is \$7,051,057. Of this amount, \$3,704,158 will be funded with Federal Low-Income Housing Tax Credit equity, \$1,633,399 will be funded with State Affordable Housing Tax Credit equity, \$650,000 will be HOME Funds from DED, \$113,500 will be in the form of a Deferred Developer Fee, \$160,000 will be Owner Equity, and \$790,000 will be in the form of a conventional first mortgage.

Mesner Development Co. of Central City, Nebraska is the LIHTC Applicant, Developer, and Management Agent of the project. Mesner Development Co. will also be the Managing Member of Fairview Villas, LLC, the ownership entity of the project. Housing Development Corporation of Hastings, a Nebraska non-profit, 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 of the units are handicapped adaptable and will meet visitability standards. Two units will meet all UFAS requirements for accessibility and one unit will be a visual/hearing impaired (VHI) unit.

EXHIBIT 1 - Summary of Proposed Development

Carstens Gardens is a proposed 9% LIHTC and State AHTC financed preservation project located in Beatrice, Nebraska that involves the acquisition and rehabilitation of an existing 50-unit senior (62+) housing development originally constructed in 1977. The project is nestled in a quiet residential neighborhood with access to a number of amenities within close proximity of the site (these are further described in Exhibits 8 & 213 in the application). The location is of residential character, and is located close to the Beatrice Community Hospital, Beatrice Senior Citizens' Center, and Astro Park. With a successful allocation, construction is anticipated to start early spring of 2024 with a ten (10) month anticipated construction timeline.

Buildings & Amenities

Carstens Gardens consists of 50 one-bedroom apartments located in two (2) one-story buildings that share a common, enclosed breezeway which provides easy access to the community space, kitchenette and community manager office. All units will have visitable access to the exterior, and have roughly 528 SF net livable space on average. The community will continue to leverage its ample open space which will be enhanced through the provision of raised garden beds, a gazebo, senior focused exercise equipment and added landscaping. In addition, the existing community space in excess of 650 square feet and will be renovated and re-furnished. All utilities and onsite maintenance will continue to be provided to the tenants at the project's costs. Additionally, the project currently staffs a Resident Services Coordinator (partially funded through an annual HUD grant) and the owner/applicant is committed to maintaining the services identified in Exhibit 211, at a minimum, post-LIHTC execution.

Zoning, Land Use

The development is zoned R-3: Urban Family Residential. The site is "grandfathered" as a legal, non-conforming use and a letter from the municipality has been included in Exhibit 105.

Residential Rents & Eligibility

Carstens Gardens currently has project-based rental assistance for 100% of the units. There will be an Assignment and Assumption of the existing HAP contract to the new owner with the LIHTC execution. Therefore, existing households will continue to only pay 30% of their adjusted gross income for rent. The project will set aside 20 units for households with incomes at or below 50% of Area Median Income ("AMI") and 25 units for households at or below 60% AMI. Additionally, the project will set aside five (5) units for households at or below 40% of AMI.

Source & Uses of Funds

The total project will cost \$6,466,462. Of this amount, \$3,772,057 will be funded by LIHTC equity, \$1,704,082 will be funded by Nebraska Affordable Housing Tax Credit equity, \$771,553 will be funded with a permanent first mortgage, and \$80,097 of transferred existing Reserves for Replacement. The balance will be funded with deferred developer fee representing at least 25% of the gross earned fee.

Development & Project Team

TESCO Development, Inc. will be the LIHTC applicant and co-developer for the project. Through an affiliated to-be-formed managing member, they will also control the to-be-formed LIHTC ownership entity, Carstens Preservation, LLC. Chesapeake Community Advisors, Inc. will also be acting as the housing consultant on the project. TESCO Properties, Inc. will remain as the management agent for the project. City Real Estate Advisors ("CREA") will provide both the federal and state tax credit equity. Keleher Architects has been chosen as the Design & Contract Administration architect and the General Contractor will be selected post-award.

| 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 |
|-----------------|--------------------|--------------------------|-----------------------|--|--|---|------------------|-------------|
|-----------------|--------------------|--------------------------|-----------------------|--|--|---|------------------|-------------|

| | | | | | | | | |
|-------|-----|-------|---|-----|-----|-----|---|-------|
| Metro | Yes | 52.75 | 5 | 2 | 1 | 1 | 2 | 63.75 |
| Metro | Yes | 53 | 3 | 0.5 | 2 | 2 | 3 | 63.50 |
| Metro | Yes | 54 | 3 | 1.5 | 1 | 1 | 3 | 63.50 |
| Metro | Yes | 54 | 5 | 0 | 0 | 0.5 | 2 | 61.50 |
| Metro | Yes | 47 | 5 | 0 | 1.5 | 2 | 2 | 57.50 |
| Metro | Yes | 46.5 | 5 | 0 | 1.5 | 1.5 | 3 | 57.50 |
| Metro | Yes | 47.25 | 5 | 1.5 | 0.5 | 0 | 3 | 57.25 |
| Metro | Yes | 45.5 | 5 | 0 | 1.5 | 1.5 | 3 | 56.50 |
| Metro | Yes | 48.5 | 2 | 2 | 2 | 1.5 | 0 | 56.00 |
| Metro | Yes | 45 | 5 | 0.5 | 0 | 0 | 3 | 53.50 |
| Metro | Yes | 44 | 5 | 1 | 0 | 0 | 2 | 52.00 |
| Metro | Yes | 41 | 5 | 1.5 | 1.5 | 0.5 | 2 | 51.50 |
| Metro | No | 45 | 0 | | | | | 45.00 |

| | | | | | | | | |
|-----------|-----|------|---|-----|-----|-----|---|-------|
| Non-Metro | Yes | 51.5 | 5 | 1.5 | 1.5 | 0.5 | 2 | 62.00 |
| Non-Metro | Yes | 52 | 5 | 0.5 | 1 | 1.5 | 0 | 60.00 |
| Non-Metro | Yes | 48 | 5 | 1.5 | 1.5 | 1.5 | 2 | 59.50 |
| Non-Metro | Yes | 47 | 5 | 2 | 0.5 | 0 | 0 | 54.50 |

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

NIFA Board of Directors Meeting

October 20, 2023

Agenda Item #08

Consideration of a Motion to Amend the Motion Passed by the NIFA Board on April 22, 2022 with Respect to Approval of Conditional Reservations – Future Binding Commitments for Category 1 CRANE Projects

Background Information:

At the NIFA board meeting held on April 22, 2022, the Board passed the attached Motion (the “Original Motion”) with respect to approving conditional reservations for future binding commitments of 9% federal low-income housing tax credits (“Section 42 Credits”) and Nebraska state low-income housing tax credits (“Nebraska Credits” and, together with the Section 42 Credits, collectively, the “Tax Credits”) pursuant to the Low Income Housing Tax Credit Program 2022/2023 Qualified Allocation Plan – CRANE, for the projects listed in the Original Motion.

As a condition to the future binding commitments, the Original Motion provided that the projects were to be placed in service no later than December 31, 2024. NIFA staff has been contacted by the developer of one of the projects with a concern about being able to place his project in service by such date. Accordingly, the Programs Committee is recommending that the Executive Director be given authority to permit a later date for placement in service should such later date be warranted under the circumstances as determined by the Executive Director. (Pursuant to Section 42 of the Internal Revenue Code (the “Code”), because the Tax Credits ultimately allocated pursuant to the Original Motion were 2023 Tax Credits, for purposes of the Code the projects could be placed in service as late as December 31, 2025.)

Recommended Action: Adoption of the Following Motion:

Motion to amend the Original Motion as follows:

The Original Motion attached hereto shall be amended to delete the requirement that the projects listed in the Original Motion be required to be placed in service no later than December 31, 2024. Further, the Executive Director shall be authorized to permit a placement in service date with respect to the projects listed in the Original Motion subsequent to December 31, 2024 (but no later than December 31, 2025), based upon the determination of the Executive Director that such later date is in the best interests of the development of the project and the Low Income Housing Tax Credit Program.

MOTION

Whereas the Nebraska Investment Finance Authority ("NIFA") has completed its review of the applications (which have reached a Category 1) for 9% federal low-income housing tax credits ("Section 42 Credits") and Nebraska state low-income housing tax credits ("Nebraska Credits" and, together with the Section 42 Credits, collectively, the "Tax Credits") pursuant to the Low Income Housing Tax Credit Program 2022/2023 Qualified Allocation Plan – CRANE;

Whereas said review of those applications which have reached a Category 1 in CRANE was conducted pursuant to the 2022/2023 Qualified Allocation Plan (the "2022/2023 QAP"), adopted by NIFA pursuant to a public process and approved by the Governor of the state of Nebraska;

Whereas, NIFA currently has under review in CRANE applications which have not yet reached a Category 1 and expects to receive, from time to time, additional submissions of CRANE applications; then

Be it resolved that subject to continued authorization of the Section 42 Credit program pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Code") and the continued authorization of the Nebraska Affordable Housing Tax Credit pursuant to Neb. Rev. Stat. § 77-2501 et seq. (the "AHTC Act") and, in each case, the allocation amounts established therein, as follows:

Section 1. Future Binding Commitment. A "future binding commitment" of 2023 Tax Credits in the amounts and categories set forth below shall be granted to the applicants of the following projects subject to the Conditions set forth below:

CRANE

| <u>Applicant</u> | <u>Project</u> | <u>County</u> | <u>City</u> | <u>Section 42 Credit Amount</u> | <u>Nebraska Credit Amount</u> |
|---|----------------|---------------|-------------|---|---------------------------------------|
| *Omaha Economic Development Corporation | 3483 Larimore | Douglas | Omaha | \$904,815 | \$904,815 |
| **Youth Emergency Services Inc | YES Housing | Douglas | Omaha | \$660,008 | \$660,008 |
| Total | | | | \$1,564,823 | \$1,564,823 |

Conditions:

(a) The projects listed in the table above shall be placed in service no later than December 31, 2024.

(b) Amounts committed for the Section 42 Credits may be adjusted by the Executive Director by up to 10% up or down, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews. Amounts committed for the Nebraska Credits may be adjusted by the Executive Director by up to 10% up or down, based upon receipt

and review of the final information necessary to complete the analysis and subsidy layering reviews.

(c) A future binding commitment for 2023 Tax Credits will become a final future binding commitment upon the resolution within ninety (90) days of all outstanding items, including financial and technical questions, to the satisfaction of the Executive Director. Upon satisfaction of such conditions, a 2023 future binding commitment will require no future action by this Board to become a final future binding commitment of Tax Credits.

(d) Reservations, allocations and future binding commitments of Tax Credits will be made pursuant to the requirements of the 2022/2023 QAP, Section 42 of the Code, in the case of the Section 42 Credits, the AHTC Act, in the case of the Nebraska Credits and, in each case, are subject to the representations made by the applicant in the application, the conditions imposed by the 2022/2023 QAP and such other conditions as the Executive Director deems necessary in light of her review of the application within the purposes of the 2022/2023 QAP and the Tax Credit Programs.

(e) *This Motion authorizes a future binding commitment of Tax Credits of \$904,815 for Omaha Economic Development Corporation. Of such future binding commitment, \$400,000 will be committed from 2023 Tax Credits. The remaining \$504,815 of Tax Credits for Omaha Economic Development Corporation shall be funded from the following sources, or any combination thereof at the discretion of the Executive Director, subject to the availability of Tax Credits: returned 2023 Tax Credits, Tax Credits returned from a prior year, national pool received for 2023 Section 42 Credits, or 2024 Tax Credits.

(f) **This Motion authorizes a future binding commitment of Tax Credits of \$660,008 for Youth Emergency Services Inc. Of such future binding commitment, \$315,137 will be committed from 2023 Tax Credits. The remaining \$344,871 of Tax Credits for Youth Emergency Services Inc. shall be funded from the following sources, or any combination thereof at the discretion of the Executive Director, subject to the availability of Tax Credits: returned 2023 Tax Credits, Tax Credits returned from a prior year, national pool received for 2023 Section 42 Credits, or 2024 Tax Credits.

Section 2. Other CRANE Applications Currently in Process. With respect to applications currently in process in CRANE for which a full LIHTC/AHTC Application is on file with NIFA but which has not yet reached a Category 1, upon reaching a Category 1, the applicant may request consideration by NIFA for a future binding commitment of 2024 credits.

Section 3. Prospective CRANE Applicants. NIFA will continue to accept applications into the CRANE Program (by submission of an initial email and CRANE Application). However, CRANE applicants will not be invited by NIFA to submit a full LIHTC/AHTC Application and requests for allocations of LIHTC/AHTC will not be considered by NIFA, in each case, until a future date in 2024 (exact date or dates to be determined).

NIFA Board of Directors Meeting

October 20, 2023

Agenda Item #10

Consideration of a Motion to Approve the 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 \$650,000,000.

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 \$650,000,000 in aggregate principal amount of single family housing revenue bonds, general obligation bonds, or some combination thereof during the 2024 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:

Approve 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 Jim Pillen, Governor of the State of Nebraska (the “State”), and Brandon Metzler, Clerk of the Legislature of the State, of the proposed issuance by the Authority of the following bonds:

\$650,000,000
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 \$650,000,000) over the period of time from the date hereof to December 31, 2024 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, 2023, 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 \$6,499,405,000 (in 139 series) pursuant to the Authority’s General Indenture of Trust dated as of July 1, 1994, as amended (the “General 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 General Indenture and the use of the proceeds thereof for the financing of First Mortgage Loans as of June 30, 2023 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, 2023, approximately \$948,938,701 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, 2023, approximately \$60,907,900 in proceeds of Bonds remain available to finance First Mortgage Loans. On September 30, 2023, applications from borrowers seeking financing pursuant to the Mortgage Loan Program totaled approximately \$78,670,223, of which amount approximately \$25,477,601 of Mortgage Loans have been financed on behalf of the Authority by the Master Servicer and \$-0- 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 \$1,715,793 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:

| | |
|---------|---------------|
| 6-30-23 | \$367,171,143 |
| 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 General 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 2024 calendar year not to exceed approximately \$650,000,000. 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 General Indenture, the GNMA MBS Indenture and/or the General Obligation Indenture).

(e) *Board Approval.* At its meeting held on October 20, 2023, 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 \$650,000,000 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 General 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, 2024, 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 \$650,000,000 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 General 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. |
| 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 20, 2023.

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 20, 2023

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, 2023 (which includes Mortgage Loans and Mortgage-Backed Securities).

Mortgage Loan Program Summary

Mortgage Loans and Mortgage-Backed Securities Pledged Pursuant to the General Indenture

| As of | (2) Acquisition of Mortgage Loans and Mortgage-Backed Securities From: | | | Principal Outstanding | | | (4) Percentage 90 or More Days Delinquent (Including Foreclosure) |
|-------------------------|--|------------------------------|---|----------------------------|-------------------------------|--------------------------------------|--|
| | Original Bond Proceeds | Recycling and Other Funds | Weighted Avg Pass Through Interest Rate | Whole Mortgage Loans | Mortgage-Backed Securities | (3) Community Program Loans | |
| June 30, 2023 | | | | | | | |
| Series 2023 D (Taxable) | 31,297,358 | 0 | 6.15% | | \$ 30,103,053 | | 0.00% |
| Series 2023 C | 41,301,041 | 0 | 5.66% | | 39,588,662 | | 0.00% |
| Series 2023 B (Taxable) | 45,000,000 | 24,090 | 6.00% | | 42,813,287 | | 0.00% |
| Series 2023 A | 85,000,000 | 1,018,017 | 5.72% | | 81,993,988 | | 0.22% |
| Series 2022 FG | 79,971,548 | 7,275,201 | 4.68% | | 83,927,042 | | 0.86% |
| Series 2022 DE | 136,980,000 | 29,958,837 | 3.93% | | 156,866,812 | | 0.98% |
| Series 2022 ABC | 99,774,082 | 3,213,151 | 2.89% | | 93,939,964 | | 1.77% |
| Series 2021 C | 138,607,853 | 8,405,647 | 2.49% | | 127,484,803 | | 2.34% |
| Series 2021 AB | 94,999,638 | 6,062,219 | 2.52% | | 77,895,134 | | 1.47% |
| Series 2020 BC | 87,498,603 | 7,293,568 | 3.03% | | 65,006,403 | | 1.99% |
| Series 2020 A | 122,905,334 | 9,760,343 | 3.05% | | 80,702,981 | | 1.45% |
| Series 2019 DE | 175,050,000 | 19,952,636 | 3.21% | | 103,412,409 | | 1.41% |
| Series 2019 ABC | 173,093,979 | 17,802,030 | 3.59% | | 85,885,265 | | 1.23% |
| Series 2018 CD | 200,666,393 | 18,877,518 | 3.59% | | 55,852,206 | | 0.89% |
| Series 2018 AB | 93,667,600 | 3,583,406 | 3.27% | | 26,579,090 | | 1.01% |
| Series 2017 ABC | 103,382,133 | 8,875,334 | 3.32% | | 32,017,841 | | 0.53% |
| Series 2016 CD | 127,001,054 | 17,873,984 | 2.93% | | 37,204,910 | | 0.24% |
| Series 2016 AB | 116,091,640 | 17,356,930 | 3.24% | | 37,122,577 | | 0.71% |
| Series 2015 CD | 121,012,757 | 18,163,271 | 3.10% | | 35,087,952 | | 0.73% |
| Series 2015 AB | 95,461,247 | 25,202,176 | 3.32% | | 26,498,552 | | 0.88% |
| Series 2014 AB | 97,831,258 | 29,686,462 | 3.43% | | 24,054,938 | | 0.32% |
| Series 2013 EF | 88,778,897 | 28,096,312 | 3.11% | | 21,205,463 | | 0.82% |
| (1) Retired Series | 3,831,419,011 | 670,457,569 | 3.58% | 274,216 | 148,999,952 | 34,311,531 | 0.73% |
| TOTAL | | | | <u>\$274,216</u> | <u>\$ 1,514,243,282</u> | <u>\$34,311,531</u> | |

- (1) Represents mortgage loans and mortgage-backed securities financed with Bonds issued pursuant to the General Indenture and which Bonds are no longer outstanding. Such mortgage loans and mortgage-backed securities remain pledged under the General Indenture.
- (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 (i) mortgage loans (both first and second mortgage loans) originated by certain nonprofit entities (such as Habitat for Humanity of Omaha), and (ii) Second Mortgage Homebuyer Assistance Loans (First Home "HBA Loans" and Welcome Home "WHA Loans") the proceeds of which are loaned for down payment and closing cost assistance in connection with first mortgage loans financed under the General Indenture. Community Program Loans do not have mortgage insurance or guarantees and bear interest at rates ranging from 0.0% to 6.9% with maturities from 7 to 30 years. 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 under the General Indenture.
- (4) Information does not include Community Program Loans.

Information on page B-2 consists of the following categories at June 30, 2023.

First Home Program Mortgage Loans and Mortgage-Backed Securities

| Category | Principal Outstanding | % of Total | % 90 or more days delinquent |
|---|--------------------------|----------------|------------------------------------|
| GNMA Mortgage-Backed Securities, at par | 724,226,318 | 50.24% | 1.50% |
| Fannie Mae Mortgage-Backed Securities, at par | 681,858,382 | 47.30% | 0.60% |
| Freddie Mac Mortgage-Backed Securities, at par | 35,242,242 | 2.44% | 0.51% |
| Whole Mortgage Loans (1 st mortgages), at par ¹ | <u>274,216</u> | <u>.02%</u> | 0.00% |
| TOTAL¹ | \$ 1,441,601,158 | 100.00% | 1.08% |

¹All whole mortgage loans (1st mortgage loans) are either (i) insured by the FHA, (ii) guaranteed by USDA/RD or (iii) guaranteed by VA. The foregoing excludes Community Program Loans. In addition to the categories of whole mortgage loans and mortgage backed securities listed above for the General Indenture, NIFA also had outstanding, as of June 30, 2023, Community Program Loans related to the First Home Program in the aggregate principal amount of \$31,967,271. 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.

Welcome Home Program Mortgage-Backed Securities

| Category | Principal Outstanding | % of Total | % 90 or more days delinquent |
|--|--------------------------|----------------|------------------------------------|
| GNMA Mortgage-Backed Securities, at par | 39,121,070 | 53.65% | 0.00% |
| Fannie Mae Mortgage-Backed Securities, at par | 26,661,432 | 36.56% | 0.00% |
| Freddie Mac Mortgage-Backed Securities, at par | <u>7,133,838</u> | <u>9.79%</u> | 0.00% |
| TOTAL¹ | \$ 72,916,340 | 100.00% | 0.00% |

¹ The foregoing excludes Community Program Loans. In addition to the categories of mortgage backed securities listed above for the General Indenture, NIFA also had outstanding, as of June 30, 2023, Community Program Loans related to the Welcome Home Program in the aggregate principal amount of \$2,344,260. 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 – “Pipeline”

The following tables set forth as of June 30, 2023, the principal amount of mortgage backed securities held by NIFA in its general operating fund and/or credited thereto (and not yet financed with proceeds of the Bonds), the principal amount of originated whole mortgage loans held by the master servicer, the principal amount of whole mortgage loans closed but not yet delivered to the master servicer, and the principal amount of mortgage loan reservations taken by NIFA. Pipeline information is forward looking, and no assurance can be given that such mortgage loans and/or mortgage-backed securities will be financed with proceeds of the Bonds or delivered by NIFA to the trustee for the Bonds pursuant to the General Indenture. (See Note 1.)

First Home Program Mortgage Loans and Mortgage-Backed Securities

| 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 |
|-------------------------------|--|---|--|---|---------------------|
| 5.000% | \$-0- | \$-0- | -0- | \$-0- | \$-0- |
| 5.125% | -0- | -0- | -0- | -0- | -0- |
| 5.250% | -0- | -0- | -0- | -0- | -0- |
| 5.375% | -0- | 241,000 | 182,000 | -0- | 423,000 |
| 5.500% | -0- | 314,000 | 44,000 | -0- | 358,000 |
| 5.625% | -0- | 676,000 | -0- | 854,000 | 1,530,000 |
| 5.750% | -0- | 1,117,000 | 146,000 | 387,000 | 1,650,000 |
| 5.875% | -0- | 1,519,000 | 664,000 | 319,000 | 2,502,000 |
| 6.000% | -0- | 2,022,000 | 768,000 | 403,000 | 3,193,000 |
| 6.125% | -0- | 3,736,000 | 1,654,000 | 2,049,000 | 7,439,000 |
| 6.250% | -0- | 5,412,000 | 2,352,000 | 3,533,000 | 11,297,000 |
| 6.375% | -0- | 1,934,000 | 1,468,000 | 5,333,000 | 8,735,000 |
| 6.500% | -0- | 2,411,000 | 962,000 | 4,465,000 | 7,838,000 |
| 6.625% | -0- | 3,119,000 | 2,427,000 | 17,751,000 | 23,297,000 |
| 6.750% | -0- | 448,000 | 647,000 | 1,925,000 | 3,020,000 |
| 6.875% | -0- | -0- | 315,000 | 7,367,000 | 7,682,000 |
| 7.000% | -0- | -0- | -0- | 4,394,000 | 4,394,000 |
| 7.125% | -0- | -0- | -0- | 807,000 | 807,000 |
| 7.250% | -0- | -0- | -0- | -0- | -0- |
| TOTAL | \$-0- | \$22,949,000 | \$11,629,000 | \$49,587,000 | \$84,165,000 |

Welcome Home Program Mortgage Loans and Mortgage-Backed Securities

| 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 |
|---|---|--|---|--|----------------------|
| 5.250% | \$-0- | \$-0- | \$-0- | \$-0- | \$-0- |
| 5.375% | -0- | -0- | -0- | -0- | -0- |
| 5.500% | -0- | -0- | -0- | -0- | -0- |
| 5.625% | -0- | -0- | -0- | -0- | -0- |
| 5.875% | -0- | -0- | -0- | -0- | -0- |
| 6.000% | -0- | -0- | -0- | -0- | -0- |
| 6.125% | -0- | -0- | -0- | -0- | -0- |
| 6.250% | -0- | -0- | 254,000 | -0- | 254,000 |
| 6.375% | -0- | -0- | 315,000 | -0- | 315,000 |
| 6.500% | -0- | 377,000 | 204,000 | 147,000 | 728,000 |
| 6.625% | -0- | 2,286,000 | 1,415,000 | 1,710,000 | 5,411,000 |
| 6.750% | -0- | 2,661,000 | 950,000 | 1,435,000 | 5,046,000 |
| 6.875% | -0- | 2,044,000 | 451,000 | 1,689,000 | 4,184,000 |
| 7.000% | -0- | 756,000 | 432,000 | 2,584,000 | 3,772,000 |
| 7.125% | -0- | 2,241,000 | 1,111,000 | 10,462,000 | 13,814,000 |
| 7.250% | -0- | 682,000 | 288,000 | 2,031,000 | 3,001,000 |
| 7.375% | -0- | 235,000 | -0- | 5,818,000 | 6,053,000 |
| 7.500% | -0- | 283,000 | -0- | 942,000 | 1,225,000 |
| 7.625% | -0- | -0- | -0- | 243,000 | 243,000 |
| 7.750% | -0- | -0- | -0- | -0- | -0- |
| 7.875% | -0- | -0- | -0- | -0- | -0- |
| 8.000% | -0- | -0- | -0- | -0- | -0- |
| 8.250% | -0- | -0- | -0- | -0- | -0- |
| TOTAL | \$-0- | \$11,565,000 | \$5,420,000 | \$27,061,000 | \$44,046,000 |
| GRAND TOTAL of First Home and Welcome Home | \$-0- | \$34,514,000 | \$17,049,000 | \$76,648,000 | \$128,211,000 |

Note 1 At the direction of NIFA, the master servicer will issue or cause to be issued mortgage-backed securities, backed by whole mortgage loans currently being held by the master servicer. Such mortgage-backed securities 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 mortgage-backed securities 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 mortgage-backed securities backed by mortgage loans held by the master servicer as available from time to time. In addition to the Bonds issued from time to time pursuant to the General 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 Bonds and/or other bonds, NIFA anticipates, directing the delivery of those whole mortgage loans currently held by the master servicer when backed by mortgage-backed securities, together with the mortgage-backed securities held by NIFA or pledged by NIFA to the FHLB of Topeka to either or both of the trustee for the Bonds and/or the trustee for the other bonds, as applicable. However, rather than deliver the mortgage-backed securities to either the trustee for the Bonds or the trustee for the other bonds, NIFA may elect to continue to hold the mortgage-backed securities as assets of NIFA or dispose of the mortgage-backed securities in such manner as determined by NIFA. In the event mortgage loans held by the master servicer do not become backed by mortgage-backed securities, such mortgage loans may be delivered to the trustee for the Bonds for purchase as whole loans with proceeds available under the General Indenture. *Information is as of June 30, 2023 and does not include the Series 2023 EF Bonds in the aggregate principal amount of \$110,070,000 issued by NIFA on August 29, 2023.*

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

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

The undersigned, Jim Pillen, 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
\$650,000,000
Single Family Housing Program Bonds
(consisting of one or more Series of Bonds)

Accepted this ____ day of _____, 2023.

[SEAL]

JIM PILLEN,
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.

2024

NIFA Board Meeting Schedule

JANUARY

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

FEBRUARY

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | | |

MARCH

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

APRIL

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | | | | |

MAY

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

JUNE

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |

JULY

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

AUGUST

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

SEPTEMBER

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

OCTOBER

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

NOVEMBER

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

DECEMBER

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

NIFA Board of Directors Meeting 9:00 a.m. – 11:30 a.m.

Location TBD

NIFA Housing Conference at Lincoln, NE Marriott Cornhusker Hotel