



BASIC FINANCIAL STATEMENTS (UNAUDITED)

THREE MONTHS ENDED SEPTEMBER 30, 2025

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Basic Financial Statements (unaudited)

---

CONTENTS

Management’s Discussion and Analysis .....	1
Basic Financial Statements	
Balance Sheets .....	8
Statements of Revenues, Expenses and Changes in Net Position.....	10
Statements of Cash Flows.....	11
Notes to Financial Statements.....	13
Supplementary Information	
Combining Balance Sheet, September 30, 2025 .....	28
Combining Statement of Revenues, Expenses and Changes in Net Position, Three Months Ended September 30, 2025.....	30
Combining Statement of Cash Flows, Three Months Ended September 30, 2025 .....	31
Combining Balance Sheet, June 30, 2025 .....	33
Combining Statement of Revenues, Expenses and Changes in Net Position, Three Months Ended September 30, 2025.....	35
Combining Statement of Cash Flows, Three Months Ended September 30, 2025 .....	36

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

---

### **Management's Discussion and Analysis**

#### **Introduction**

The discussion and analysis provided herein is designed to furnish an objective and easily understandable review of the financial activities of the Pennsylvania Housing Finance Agency ("Agency"). Readers are encouraged to consider the information presented in conjunction with the basic financial statements, which follow this section.

#### **Understanding the Basic Financial Statements**

The basic financial statements are designed to provide a broad overview of the Agency's finances and include three required statements: The Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The Balance Sheet presents financial information respective of all the Agency's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position reflect revenue and expenses within a given period to measure the success of the Agency's operations during that period and to illustrate how the Agency has funded its costs of operations.

The Statement of Cash Flows is presented using the direct method, which reports cash receipts and cash payments in four major classes of activities: Operating, Noncapital Financing, Capital Financing, and Investing. Cash receipts and disbursements are presented within this statement to illustrate the net increase or decrease in cash and cash equivalents within a given period.

The basic financial statements are accompanied by a set of notes. The notes to the basic financial statements provide additional information necessary to acquire a full understanding of the data presented in the basic financial statements and a means to obtain a more comprehensive assessment of factors affecting the Agency's financial condition.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Condensed Summary Balance Sheet** *(In thousands)*

	<b>September 30, 2025</b>	<b>June 30, 2025</b>	<b>Increase/(Decrease)</b>	
<b>Assets:</b>				
Mortgage loans receivable, net	\$ 7,255,577	\$ 6,865,837	\$ 389,740	5.7%
Capital assets, net	53,269	56,408	(3,139)	(5.6%)
Other assets	1,932,001	1,289,067	642,934	49.9%
<b>Total Assets</b>	<b>9,240,847</b>	<b>8,211,312</b>	<b>1,029,535</b>	<b>12.5%</b>
Deferred Outflows of Resources	23,545	23,545	-	0.0%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 9,264,392</b>	<b>\$ 8,234,857</b>	<b>\$ 1,029,535</b>	<b>12.5%</b>
<b>Liabilities:</b>				
Current liabilities	533,246	522,996	10,250	2.0%
Noncurrent liabilities	7,779,068	6,766,948	1,012,120	15.0%
<b>Total Liabilities</b>	<b>8,312,314</b>	<b>7,289,944</b>	<b>1,022,370</b>	<b>14.0%</b>
Deferred Inflows of Resources	53,676	54,609	(933)	(1.7%)
<b>Net Position</b>				
Net Investment in Capital Assets	24,305	27,089	(2,784)	(10.3%)
Restricted	253,337	224,304	29,033	12.9%
Unrestricted	620,760	638,911	(18,151)	(2.8%)
<b>Total Net Position</b>	<b>898,402</b>	<b>890,304</b>	<b>8,098</b>	<b>0.9%</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 9,264,392</b>	<b>\$ 8,234,857</b>	<b>\$ 1,029,535</b>	<b>12.5%</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Condensed Summary of Revenues, Expenses and Changes in Net Position** *(In thousands)*

	Three months ended September 30,		Increase/(Decrease)	
	2025	2024		
Revenues:				
Mortgage loan interest	\$ 81,610	\$ 60,017	\$ 21,593	36.0%
Other operating revenues	53,895	66,680	(12,785)	(19.2%)
Federal program awards	172,915	173,111	(196)	(0.1%)
Total Revenues	308,420	299,808	8,612	2.9%
Expenses:				
Interest and financing expenses	77,561	58,652	18,909	32.2%
Other operating expenses	49,846	43,502	6,344	14.6%
Federal program expenses	172,915	173,111	(196)	(0.1%)
Total Expenses	300,322	275,265	25,057	9.1%
Change in Net Position	8,098	24,543	(16,445)	67.0%
Net Position - Beginning of Year	890,304	826,629	63,675	7.7%
Net Position - End of Period	\$ 898,402	\$ 851,172	\$ 47,230	5.5%

**Analysis of Overall Financial Position and Results of Operations**

*The balance sheet at September 30, 2025 is compared to the balance sheet at June 30, 2025, the prior audited period.*

*The results of operations for the three-month period ended September 30, 2025 is compared to the three-month period ended September 30, 2024.*

- **Assets**

Total assets in the preceding condensed summary balance sheet increased by \$1.030 billion from \$8.235 billion to \$9.264 billion. Mortgage loans receivable increased by \$390 million from \$6.866 billion to \$7.256 billion as a result of the Agency utilizing its mortgage revenue bond program to purchase single family mortgages to further increase its single family program loan portfolio and its balance sheet. Other assets increased by \$643 million from \$1.289 billion to \$1.932 billion primarily as a result of the increase in cash and cash equivalents due to cash held for the purchases of single family mortgages from the issuance of single family mortgage revenue bond series 150 on September 29, 2025. Capital assets decreased \$3.1 million from \$56.4 million to \$53.3 million due to the revaluation of subscription-based information technology arrangements and regular amortization and depreciation expense.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

---

- **Liabilities**

Total liabilities increased by \$1.022 billion from \$7.290 billion to \$8.312 billion. The net increase was primarily due to an increase in bonds and notes payable of \$1.010 billion, which came as a result of the issuance of single family mortgage revenue bond series 149 and 150. These issuances further the Agency's efforts to increase the size of its single family loan portfolio and its balance sheet by purchasing and holding mortgage loans receivable by utilizing capital provided by the single family mortgage revenue bonds. The remaining net increase in liabilities of \$12 million is due to the increase in accrued interest payable of \$72 million, interest is paid bi-annually on April 1<sup>st</sup> and October 1<sup>st</sup>, the increase in the net pension liability of \$2 million, and the increase in total OPEB liability of \$2 million off-set by the decrease in escrow deposits and development reserves of \$39 million due to timing, real estate school district tax payments are paid in July – September, the decrease in other current liabilities of \$25 million due to the payment of grant funds held.

- **Net Position**

For the three months ended September 30, 2025, the Agency's net position increased \$8.0 million compared to an increase of \$24.5 million in net position for the same three-month period ending one year prior.

Mortgage loan interest income earned increased by \$21.6 million when compared to the same three-month period ending one year prior due to the increase in the Agency's single family portfolio of mortgage loans. Other operating revenues decreased by \$12.8 million when compared to the three months ending September 30, 2024, due to the decrease in the fair value of investments, investment income, and the gain on early extinguishment of debt, off-set by an increase in program income and fees.

Interest and financing expenses increased by \$18.9 million when compared to the same three-month period ending one year prior due to the increase in bonds outstanding and the issuance of mortgage revenue bond series 149 and 150 during the period. Other operating expenses increased by \$6.3 million when compared to the same three-month period ending one year prior due to an increase in program expenses and general and administrative expenses.

Federal program revenue and expenses decreased by \$0.2 million due to a decrease in the disbursement of federal funds for grants administered by the Agency.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

**Analysis of Capital Asset Activity** *(In thousands)*

	<b>Balances at</b>		<b>Increase/ (Decrease)</b>
	<b>September 30, 2025</b>	<b>June 30, 2025</b>	
<b>Nondepreciable Capital Assets:</b>			
Land	\$ 2,454	\$ 2,454	\$ -
Total nondepreciable capital assets	<u>2,454</u>	<u>2,454</u>	<u>-</u>
<b>Depreciable Capital Assets:</b>			
Building	60,685	60,685	-
Furniture, fixtures and equipment	2,317	11,822	(9,505)
Subscription based information technology arrangements	13,684	14,523	(839)
Less accumulated depreciation:			
Building	(17,770)	(16,312)	(1,458)
Furniture, fixtures and equipment	(1,322)	(10,253)	8,931
Subscription based information technology arrangements	(6,779)	(6,511)	(268)
Total depreciable capital assets, net	<u>50,815</u>	<u>53,954</u>	<u>(3,139)</u>
<b>Total Capital Assets, net</b>	<u>\$ 53,269</u>	<u>\$ 56,408</u>	<u>\$ (3,139)</u>

The Agency's capital asset net balance decreased in the three months ended September 30, 2025 due to the revaluation of subscription-based information technology arrangements and regular amortization and depreciation expense. The decrease in capital assets and accumulated depreciation is the Agency identifying certain capital assets that had reached their useful lives and were no longer operationally efficient. These assets were removed from service and disposed of, no gain or loss was recognized on these disposals, as the remaining carrying amounts approximated the assets' residual values.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management’s Discussion and Analysis (amounts rounded)

**Analysis of Long-Term Debt Activity** (In thousands)

<b>Agency Program</b>	<b>Long -Term Debt at</b>		<b>Increase (Decrease)</b>
	<b>September 30, 2025</b>	<b>June 30, 2025</b>	
General Activities	\$ 25,000	\$ 25,000	\$ -
Single Family Program	7,420,599	6,410,229	1,010,370
<b>Total Long-Term Debt</b>	<b>\$ 7,445,599</b>	<b>\$ 6,435,229</b>	<b>\$ 1,010,370</b>

**Additions**

Additions to Agency bonds and notes payable for the three-month period ended September 30, 2025 included the following:

<b>Date</b>	<b>Single Family Program Bond Series</b>	<b>General Obligation Bond Series</b>	<b>Original Issue Premium</b>	<b>Total Proceeds</b>	<b>New Mortgage Loan Production Proceeds</b>	<b>Refunding Proceeds</b>	<b>Single Family Program Bond Series Refunded</b>
7/16/2025	2025-149	-	17,888	595,413	595,413	-	-
9/29/2025	2025-150	-	14,018	416,253	416,253	-	-
	<b>Total Additions:</b>		<b>\$ 31,906</b>	<b>\$ 1,011,666</b>			

**Reductions**

Reductions to Agency bonds and notes payable for the three-month period ended September 30, 2025 included the following:

<b>Date</b>	<b>Single Family Program Bond Series Refunded</b>	<b>Refunded Amount</b>	<b>Scheduled Debt Service</b>	<b>Advance Debt Service</b>	<b>Original Issue Premium Amortization</b>
Various	-	-	-	-	1,296
	<b>Total Reductions:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,296</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Management's Discussion and Analysis (amounts rounded)

---

**Designated Net Position** (in thousands)

The Agency has designated certain amounts of the unrestricted net position of the Agency's various activities and programs for purposes indicated in the following table. These designations of net position are not binding and may be changed by the Agency.

**General Activities:**

Disadvantaged Developers Program	\$ 10,000
Asset building program	2,000
Home4Good	1,500
Homebuyer Counseling for education of first-time homebuyers	2,000
Multifamily Insurance for Agency insured or coinsured developments	10,000
ReCLAIM (statewide)	1,500
Total	<u>\$ 27,000</u>

**Multifamily Housing Program:**

Multifamily Insurance for Agency insured or coinsured developments	\$ 10,000
Preservation from physical deterioration, financial or social distress	1,500
Total	<u>\$ 11,500</u>

**Single Family Mortgage Loan Program:**

Closing Cost Assistance	\$ 3,000
Neighborhood Homeownership Initiative	5,000
Total	<u>\$ 8,000</u>

**Insurance Program:**

Risk Retention to provide single family mortgage insurance	<u>\$ 123,853</u>
--	-------------------

**Additional Information**

This discussion and analysis are intended to provide additional information regarding the activities of the Agency. Additional current or historical audited or unaudited financial information may be found at the Agency's website at [www.phfa.org](http://www.phfa.org).

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Balance Sheets September 30, 2025 and June 30, 2025 (in thousands)

	<b>September 30,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2025</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,223,579	\$ 422,656
Restricted cash and cash equivalents	198,273	353,667
Investments	6,850	4,998
Restricted investments	6,109	11,030
Accrued investment interest receivable	3,011	2,965
Mortgage loans receivable, net	164,232	163,813
Accrued mortgage loan interest receivable	33,021	28,963
Mortgages held for sale	43,766	44,189
Other current assets	3,118	4,259
<b>Total Current Assets</b>	<b>1,681,959</b>	<b>1,036,540</b>
<b>Noncurrent Assets:</b>		
Investments	147,764	151,448
Restricted investments	178,021	184,081
Mortgage loans receivable, net	7,091,345	6,702,024
Derivative instrument - interest rate swaps	8,750	9,712
Real estate owned	10,262	9,595
Capital assets, net	53,269	56,408
Other noncurrent assets	69,477	61,504
<b>Total Noncurrent Assets</b>	<b>7,558,888</b>	<b>7,174,772</b>
<b>TOTAL ASSETS</b>	<b>9,240,847</b>	<b>8,211,312</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
OPEB-related deferred outflows	12,919	12,919
Pension-related deferred outflows	10,626	10,626
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>23,545</b>	<b>23,545</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,264,392</b>	<b>\$ 8,234,857</b>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Balance Sheets September 30, 2025 and June 30, 2025 (in thousands)

	<b>September 30,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2025</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,845	\$ 2,460
Bonds and notes payable, net	179,458	174,363
Accrued interest payable	137,650	65,674
Escrow deposits and development reserves	63,570	104,626
Software-based IT arrangements	886	886
Other current liabilities	149,837	174,987
<b>Total Current Liabilities</b>	<b>533,246</b>	<b>522,996</b>
<b>Noncurrent Liabilities:</b>		
Bonds and notes payable, net	7,266,141	6,260,866
Development reserves	126,849	124,475
Total OPEB liability	91,502	89,502
Net pension liability	30,146	28,146
Software-based IT arrangements	3,078	3,433
Other noncurrent liabilities	261,352	260,526
<b>Total Noncurrent Liabilities</b>	<b>7,779,068</b>	<b>6,766,948</b>
<b>TOTAL LIABILITIES</b>	<b>8,312,314</b>	<b>7,289,944</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB-related deferred inflows	39,969	39,969
Pension-related deferred inflows	2,829	2,829
Unamortized gains on bond refundings	2,128	2,099
Accumulated increase in fair value of hedging derivatives	8,750	9,712
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>53,676</b>	<b>54,609</b>
<b>NET POSITION</b>		
Net investment in capital assets	24,305	27,089
Restricted	253,337	224,304
Unrestricted	620,760	638,911
<b>TOTAL NET POSITION</b>	<b>898,402</b>	<b>890,304</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 9,264,392</b>	<b>\$ 8,234,857</b>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Statements of Revenues, Expenses and Changes in Net Position

Three Months Ended September 30, 2025 and 2024 (in thousands)

	<b>Three Months ended</b>	
	<b>September 30 ,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Revenues:</b>		
Interest income on mortgage loans	\$ 81,610	\$ 60,017
Program income and fees	36,637	32,240
Investment income	12,043	16,732
Net increase in fair value of investments	5,215	17,513
Gain on early extinguishment of debt	-	195
<b>Total Operating Revenues</b>	<u>135,505</u>	<u>126,697</u>
<b>Operating Expenses:</b>		
Interest expense on bonds and notes	70,909	54,741
Financing expenses	6,652	3,911
Program expenses	23,732	18,899
Salaries and related benefits	16,054	16,239
General and administrative	9,257	7,854
Provision for loan loss and real estate owned	803	510
<b>Total Operating Expenses</b>	<u>127,407</u>	<u>102,154</u>
<b>Operating Income</b>	8,098	24,543
<b>Nonoperating Revenue</b>		
Federal program awards	172,915	173,111
<b>Nonoperating Expense</b>		
Federal program expense	<u>172,915</u>	<u>173,111</u>
<b>Change in Net Position</b>	8,098	24,543
<b>Net Position - beginning of year</b>	<u>890,304</u>	<u>826,629</u>
<b>Net Position - end of period</b>	<u>\$ 898,402</u>	<u>\$ 851,172</u>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Statements of Cash Flows

Three Months Ended September 30, 2025 and 2024 (in thousands)

	Three months ended September 30,	
	2025	2024
<b>Cash Flows From Operating Activities</b>		
Receipts of mortgage loan payments	\$ 105,421	\$ 91,495
Receipts of fees and other income	36,637	32,240
Receipts of interest on mortgages	77,554	57,051
Payments of escrow and reserves	(71,064)	(82,496)
Payments for mortgages and purchases	(491,175)	(473,584)
Payments for salaries and related benefits	(11,401)	(11,521)
Payments for goods, services, and other	(37,381)	(26,455)
<b>Net Cash Used In Operating Activities</b>	<u>(391,409)</u>	<u>(413,270)</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Proceeds from the issuance of bonds and notes	1,011,666	501,029
Payments of bonds and notes interest	1,268	1,943
Payments of financing costs	(6,652)	(3,911)
Receipts of federal program awards	172,915	173,111
Payments of federal program awards	(172,915)	(173,111)
<b>Net Cash Provided By Noncapital Financing Activities</b>	<u>1,006,282</u>	<u>499,061</u>
<b>Cash Flows From Capital Financing Activities</b>		
Purchases of capital assets	834	(145)
Interest paid on capital debt	(201)	(225)
<b>Net Cash Provided By (Used In) Capital Financing Activities</b>	<u>633</u>	<u>(370)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from the sale or maturity of investments	18,137	83,297
Investment interest receipts	11,995	18,151
Purchases of investments	(109)	(6,883)
<b>Net Cash Provided By Investing Activities</b>	<u>30,023</u>	<u>94,565</u>
<b>Net Increase In Cash and Cash Equivalents</b>	645,529	179,986
<b>Cash and cash equivalents, beginning of year</b>	<u>776,323</u>	<u>1,299,049</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 1,421,852</u>	<u>\$ 1,479,035</u>

See accompanying notes to financial statements.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Statements of Cash Flows (continued)

Nine Months Ended September 30, 2025 and 2024 (in thousands)

	<b>Three months ended</b>	
	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Reconciliation of Operating Income to</b>		
<b>Net Cash Used In Operating Activities:</b>		
Operating Income	\$ 8,098	\$ 24,543
Investment income recognized	(12,043)	(16,732)
Net change in fair value of investments	(5,215)	(17,513)
Interest expense on bonds and notes	70,909	54,741
Financing expenses	6,652	3,911
Provision for loan loss and real estate owned	803	510
Depreciation	2,304	1,161
Gain on early extinguishment of debt	-	(195)
Changes in Assets and Liabilities:		
Mortgage loans receivable, net	(392,251)	(382,056)
Mortgage loan interest receivable	(4,056)	(2,966)
Real estate owned, net	(667)	2,945
Other assets	(6,862)	(3,568)
Accounts payable and accrued expenses	(615)	146
Escrow deposits and development reserves	(38,682)	(34,165)
Other liabilities	(19,784)	(44,032)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (391,409)</b>	<b>\$ (413,270)</b>

See accompanying notes to financial statements

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **1. Organization**

The Pennsylvania Housing Finance Agency (“Agency”) was created by the General Assembly of the Commonwealth of Pennsylvania (“Commonwealth”) in 1972 to provide affordable housing for older adults, persons and families of modest means, and persons with disabilities. Pursuant to the Housing Finance Agency Law, Act of 1959, P. L. 1688, No. 620 (“Act”), as amended, the Agency is authorized and empowered, among other things, to finance the construction and rehabilitation of housing units for persons and families of low and moderate income, persons with special needs or the elderly, including those who receive assistance from federal government programs.

The Act was amended to authorize the Agency to make or purchase mortgage loans used to finance the purchase, construction, improvement or rehabilitation of owner-occupied single-family residences and to finance the construction and rehabilitation of housing units without requiring the housing units to be subsidized or assisted by a federal government program. The initial legislation and subsequent amendments grant the Agency the power to issue debt in order to finance its programs and operations. Debt obligations issued under the provisions of the Act are not a debt or liability of the Commonwealth or any of its political subdivisions or a pledge of the faith and credit of the Commonwealth or of any of its political subdivisions. Additional powers have been provided by the General Assembly over the years to expand the Agency’s authority and to encourage related community activities.

The Board of the Agency sets policy and oversees the organization's operations. The Board has 14 members. The Secretary of Banking and Securities (chair), the Secretary of Community and Economic Development, the Secretary of Human Services, and the State Treasurer serve by virtue of their offices. Four members of the Board serve at the pleasure of the majority and minority leaders of the State Senate and House of Representatives. Six private citizen members are appointed by the Governor, confirmed by the State Senate, and serve for staggered six-year terms or until their successors are appointed.

The Agency is a component unit of the Commonwealth, as defined by the Governmental Accounting Standards Board (“GASB”) – the source of generally accepted accounting principles used by State and Local governments in the United States. The Agency’s financial information is discretely presented in the Commonwealth’s financial statements, but the Agency is not considered part of the Commonwealth’s primary government.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### 2. Summary of Significant Accounting Policies

#### **Basis of Accounting**

The Agency presents its financial statements in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), as established by GASB. For financial reporting purposes, the Agency is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-Agency transactions have been eliminated.

#### **Description of Programs**

The Agency accounts for its lending and operating activities in various programs based upon management designations and for ease of accountability, summarized as follows:

**General Activities** – Consists of a group of accounts used to record income and expenses that are not directly pledged to or associated with the programs described below, and includes activity related to various Agency programs and initiatives, including loan servicing and the payment of expenses related to the Agency’s administrative functions.

**Multifamily Housing Program (“Multifamily Program”)** – Records the activity related to financing the construction, rehabilitation or operational expenses of multifamily rental housing developments generally designed for persons or families of low and moderate income or the elderly.

**Single Family Mortgage Loan Program (“Single Family Program”)** – Records the activity related to providing capital for the purchase and servicing of mortgage loans for owner-occupied single-family residences for persons or families of low and moderate income.

**Insurance Program** – The Agency provides primary mortgage insurance coverage through this program to cover the risk of mortgage default for certain single-family borrowers.

**Homeowners’ Emergency Mortgage Assistance Program (“HEMAP”)** – Created by Act 91 of 1982 (as later amended) by the Pennsylvania General Assembly to provide emergency mortgage assistance loans to mortgagors facing foreclosure due to circumstances beyond their control. HEMAP’s primary operating revenues are derived from funding received from the Commonwealth, from program repayments, and income from investments, and are reported as a component of Program Income and Fees within the Agency’s financial statements.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Fair Value Application and Measurement**

Fair value is applied to assets and liabilities that the Agency holds primarily for the purpose of income or profit and that have a present service capacity based solely on their ability to generate cash or to be sold to generate cash. The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based upon valuation inputs used to measure the fair value of the respective asset or liability. Level 1 inputs include quoted prices in active markets for identical assets; Level 2 inputs include observable inputs other than quoted prices included in Level 1 inputs; Level 3 inputs include unobservable inputs.

### **Cash and Cash Equivalents**

Cash includes currency on hand and currency equivalents that may be accessed immediately or near-immediately. Cash equivalents are defined as short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash. Agency cash and cash equivalents consist of demand deposit checking and savings accounts, cash held in trust and money market funds.

### **Investments**

Investments are reported at fair value, determined by reference to published market prices and quotations. Changes in fair values are recognized separately within the Statement of Revenues, Expenses and Changes in Net Position.

### **Restricted Cash, Cash Equivalents and Investments**

Restricted cash, cash equivalents, and investments consist of cash, cash equivalents, and investments restricted primarily by escrow agreements, bond resolutions, debt servicing agreements, creditor agreements or other contractual agreements. The Agency collects mortgage payments on behalf of mortgagees for whom the Agency acts as a servicer. The Agency holds monies from multifamily property owners and single-family homeowners for payments of real estate taxes, property insurance and operating reserves, and has recorded a corresponding liability related to these balances. The Agency maintains certain balances of cash, cash equivalents, and investments, restricted as to their use, in order to comply with bond debt capital reserve and self-insurance requirements and certain investor or creditor covenants.

### **Mortgage Loans Receivable, Net**

Mortgage loans receivable consist primarily of single family and multifamily loans. The current portion of mortgage loans receivable represents the contractual amount due within the forthcoming year.

Mortgage loans that the Agency has the ability and intent to hold for the foreseeable future are deemed to be held for investment and are valued at amortized cost. Amortized cost includes the balances of principal outstanding, unamortized premiums and discounts, and capitalized

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

origination costs and fees. Mortgage loans held-for-investment also have an allowance for loan loss applied as needed.

Mortgage loans that the Agency has the ability and intent to sell within the foreseeable future are deemed to be held for sale and are reported at the lower of cost or fair value, determined on an individual basis by loan type as of the date of the financial statements. Mortgage loans held for sale include loans subject to investor purchase commitments (committed loans) and loans held on a speculative basis (uncommitted loans). Fair value of committed loans is based upon commitment prices; fair value of uncommitted loans is based upon the market in which the mortgage banking activity operates. Amounts, if any, by which cost exceeds fair value are included within an allowance for loan loss.

The allowance for loan loss represents an adjustment applied to the balances of mortgage loans receivable in order to reflect amounts deemed collectible, using management's best estimate of probable losses inherent in the portfolio and evaluation of the underlying loans and their likelihood of becoming real estate owned. The allowance for loan loss is based upon the Agency's best information available under the circumstances, including the estimated market values of the properties representing collateral, mortgage insurance coverage on the collateral, the financial condition of the respective borrower, government guarantees, and the economy.

Mortgage servicing rights/servicing release premiums are amortized over the life of the related loans using the effective interest method and include servicing rights associated with both mortgages owned by the Agency and mortgages sold by the Agency for which servicing rights were retained. Mortgage servicing rights retained for underlying loans sold by the Agency are reported at the lower of amortized cost or fair value.

### **Troubled Debt Restructuring**

A troubled debt restructuring occurs when a creditor, for economic or legal reasons related to a debtor's financial difficulties, grants a concession to a debtor experiencing financial difficulties that the creditor would not otherwise consider. Regardless of the form of concession granted by the creditor to the debtor in a troubled debt restructuring, the creditor's objective is to assist the debtor in a difficult situation – the creditor expects to receive a return on investment or increase the probability of receipt of payment by granting the concessions than by not granting them. When conducted in a prudent manner, modifications of problem loans can serve the interests of both the creditor and the debtor and can lead to improved loan performance and reduced credit risk. In some instances, loan modifications are mandated by federal insurance programs. The Agency engages in troubled debt restructuring activities by affording modifications to the terms and interest rates of certain mortgage loans.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Real Estate Owned**

Real estate owned represents single-family real estate acquired as a result of foreclosure, acceptance of a deed in lieu of foreclosure or other defaults of nonperforming mortgage loans. Balances of real estate owned approximate net realizable value, based upon actual recoveries for similar asset disposals resulting from anticipated mortgage insurance settlement proceeds or estimated sales prices less costs to sell. Net realizable values of real estate owned also include an allowance for losses attributable to potentially foregone interest and corporate and escrow advances.

### **Capital Assets**

Capital assets are valued at historical cost. The Agency capitalizes assets with an initial cost of \$1 (one-thousand dollars) or more. Depreciation is calculated using the straight-line method over the estimated useful lives, which are 5 years for furniture, fixtures, and equipment and 45 years for the Agency's building. When capital assets are disposed, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded.

### **Other Assets**

Other assets include federal and Pennsylvania grant and program funding receivable and prepaid expenses.

### **Deferred Outflows of Resources**

Deferred outflows of resources include OPEB-related deferred outflows, which result from the Agency's post-employment healthcare benefits plan ("OPEB Plan"); pension-related deferred outflows, which result from the Agency's Employees' Retirement Plan ("Pension Plan") and Governmental Excess Benefit Plan ("Excess Plan") (collectively "Pensions" or "Pension Plans"); and the accumulated decrease in fair value of hedging derivatives. OPEB-related and Pension-related deferred outflows of resources represent differences between expected and actual experience, changes in assumptions and amounts resulting from contributions made during the Agency's fiscal year subsequent to the OPEB Plan's or Pension Plan's measurement dates. Deferred outflows of resources are recognized over a closed period and are amortized over the remaining average service life of all active and inactive employees who are provided OPEB or Pensions through the aforementioned plans.

### **Bonds and Notes Payable, Net**

The Agency issues bonds and notes to provide capital for its mortgage programs and other uses consistent with its mission. The resultant debt is a general obligation of the Agency, and is secured and payable by the respective mortgage loans, investments, other assets, and revenues within the respective programs or accounts established by the associated bond indentures. Bonds and notes payable are stated at their outstanding balances plus any unamortized premiums less any unamortized discounts. The current portion of bonds and notes payable represents the scheduled principal payable within the forthcoming year.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Escrow Deposits and Development Reserves**

Escrow deposits represent balances of receipts from Single Family Program homeowners and Multifamily Program developments for anticipated payments of real estate taxes, property insurance and mortgage insurance. Development reserves represent cash held on behalf of owners of multifamily properties for repairs and replacement, property improvements, supportive services and potential operating deficits experienced by Multifamily Program developments.

### **Derivative Instruments – Interest Rate Swaps**

The Agency enters into interest rate swap agreements (“swaps”) with various counterparties to hedge the interest rate exposure associated with variable rate debt and to reduce overall borrowing costs. Swaps are structured whereby the Agency pays a fixed interest rate to a counterparty in exchange for the same counterparty paying to the Agency a variable interest rate, which is established based upon a common market index.

Swaps are reported at fair value and are classified as either hedging derivatives, amended hedging derivatives or investment derivatives. Hedging derivatives include swaps with critical terms that have not changed since their inception. Amended hedging derivatives include swaps with critical terms that have since been amended. The changes in fair values of hedging derivatives and amended hedging derivatives are reported as accumulated decrease in fair values of hedging derivatives on the Balance Sheet, which equal the values of the corresponding swaps. Investment derivatives include swaps that are not considered to be effective hedges; the changes in fair values of investment derivatives are reported as a net increase or decrease in the fair value of swaps and recognized as a revenue or expense.

### **Total OPEB Liability**

The Agency is required to measure and disclose amounts relating to total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and the fiduciary net position of the Agency’s OPEB Plan. The Agency does not fund its OPEB liability, rather, the Agency provides health insurance for its retirees on a pay-as-you-go basis, therefore, the OPEB Plan has no fiduciary net position.

### **Net Pension Liability**

Net pension liability represents the portion of the present value of projected benefit payments attributed to past periods of service to be provided through the Agency’s Pensions to current active and inactive employees less the fiduciary net position of the Pensions. It represents the Agency’s total pension liability less the fiduciary net position available to pay that liability. Investments included within fiduciary net position are reported at fair value.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Other Liabilities**

Other liabilities consist mainly of unearned revenues, unearned federal funding, amounts due to Pennsylvania State Employees Retirement System (“SERS”) and accrued expenses.

### **Deferred Inflows of Resources**

Deferred inflows of resources include net unamortized gains (losses) on bond refundings, which are amortized over the shorter of the remaining life of the old debt or the life of the new debt; OPEB Plan-related and Pension Plan-related deferred Inflows, which represent the difference between projected and actual earnings on investments within the Agency’s Pensions, are recognized over a closed period and are amortized over a 5-year period, the difference between expected and actual experience, and changes in assumptions are recognized over a closed period and are amortized over the remaining average service life of all active and inactive employees who are provided OPEB or Pensions through the aforementioned plans; and the accumulated increase in fair value of hedging derivatives, which represents the anticipated future utilization of the value of interest rate swap agreements deemed to be effective hedging derivatives.

### **Net Position**

Net position is classified in the following three components:

**Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt attributable to the acquisition, construction or improvement of those assets.

**Restricted** – Consists of assets with constraints placed on their use by laws, regulations, Agency bond resolutions or external groups, such as creditors or grantors.

**Unrestricted** – Consists of assets that do not meet the definition of Net Investment in Capital Assets or Restricted. This component includes assets designated for specific purposes by the actions of the Board.

When both restricted and unrestricted resources are available, it is the Agency’s policy to use restricted resources to the extent allowed and only use unrestricted resources when needed.

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Classification of Revenues and Expenses**

Operating revenues include all revenue from mortgage and loan activity, mortgage servicing, investment income and gains on the sale of pooled loans via the Government National Mortgage Association (“GNMA”) and the Federal National Mortgage Association (“FNMA”). Operating revenues also include amounts received for the grant programs, which includes administrative fees for the oversight of award distribution, monitoring of subrecipients and reporting to federal and Commonwealth agencies, and allocations for the costs of required independent annual audits of federal awards expended. The costs of mortgage loan servicing, investment, and grant programs are reported as operating expenses.

Non-operating revenues and expenses include federal program awards and the corresponding direct program costs for which those awards are received and recognized, and consist primarily of pass-through amounts related to the Agency’s role as contract administrator of the U.S. Department of Housing and Urban Development’s (“HUD”) Section 8 subsidy program.

### **Interest Income on Mortgage Loans**

Interest received for mortgage loans is based upon the constant yield method. Interest accrues on performing and nonperforming loans for up to 150 days or until the underlying obligation is satisfied or the associated property is sold, foreclosed-upon or transferred to another entity.

### **Investment Income**

Investment income includes net receipts and payments associated with swaps deemed to be investment derivatives, gains or losses on sales of investments and investment interest income.

The Agency participates in the GNMA and FNMA mortgage backed securities programs, whereby GNMA or FNMA guarantees securities that are issued by the Agency and backed by pools of mortgage loans. Gains on sales of MBSs are recorded at the time of settlement and represent the difference between the sale price of the MBSs and the carrying value of the underlying pool of mortgages backing them.

### **Pension and Other Postemployment Benefits Expense**

Pension expense and other postemployment benefit expense are reported as salaries and related benefits and represent the estimated cost of the benefits earned by employees during the period, with the addition or subtraction of amounts that are deferred and amortized into expense over time as required by GAAP.

### **Compensated Absences**

Employees earn vacation and illness leave benefits. Upon separation of service, employees are compensated for accumulated leave balances, limited by Agency policy. Compensated absence leave is recorded as an accrued expense in the period earned.

## PENNSYLVANIA HOUSING FINANCE AGENCY

Notes to Financial Statements

September 30, 2025 (in thousands)

---

### **Debt Issuance Costs, Discounts and Other Related Costs**

Costs related to bond and note issuance are expensed when incurred. Bond discounts and premiums are amortized over the lives of the corresponding bonds using the effective interest method. Net swap agreement payments are recorded as a component of interest expense on bonds and notes.

### **Accounting Standards Issued but Not Yet Adopted**

GASB issued the following Statements that will become effective in future reporting periods. Management is currently evaluating the potential impact on the Agency's financial statements.

- GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, effective for the Agency's fiscal year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, effective for the Agency's fiscal year ending June 30, 2026.

### **3. Cash, Cash Equivalents and Investments**

The Agency maintains a policy whereby cash and cash equivalents must be held in insured depositories satisfactory to the Agency.

Commonwealth of Pennsylvania statutes and contractual provisions contained within the Agency's bond trust indentures govern the investment policies of the Agency. The Housing Finance Agency Law, 1959, Dec. 3, P.L. 1688 as amended Dec. 5, 1972, P.L. 1259, No. 282 and bond indentures provide the authority to invest all Agency funds. In compliance with the Act and bond indentures, it is the policy of the Agency to invest in securities that provide suitable returns, preserve principal, meet liquidity needs, and further the mission of the Agency.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

**4. Mortgage Loans Receivable**

Amounts reported as mortgage loans receivable at September 30, 2025 and June 30, 2025 consisted of the following:

	<b>September 30, 2025</b>				
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family Program</b>	<b>HEMAP</b>	<b>Total</b>
Mortgage loans	\$ 10,191	\$ 457,067	\$ 6,886,174	\$ 39,737	\$ 7,393,169
Add:					
Loan premiums	-	-	-	-	-
Less:					
Loan discounts	-	-	-	-	-
Allowance for loan losses	6,003	95,562	14,956	21,071	137,592
Mortgage loans receivable	4,188	361,505	6,871,218	18,666	7,255,577
Current portion	-	3,165	157,382	3,685	164,232
Noncurrent portion	<u>\$ 4,188</u>	<u>\$ 358,340</u>	<u>\$ 6,713,836</u>	<u>\$ 14,981</u>	<u>\$ 7,091,345</u>

	<b>June 30, 2025</b>				
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family Program</b>	<b>HEMAP</b>	<b>Total</b>
Mortgage loans	\$ 10,005	\$ 449,441	\$ 6,503,619	\$ 40,514	\$ 7,003,579
Add:					
Loan premiums	-	-	-	-	-
Less:					
Loan discounts	-	-	-	-	-
Allowance for loan losses	6,003	94,878	15,448	21,413	137,742
Mortgage loans receivable	4,002	354,563	6,488,171	19,101	6,865,837
Current portion	-	3,015	157,232	3,566	163,813
Noncurrent portion	<u>\$ 4,002</u>	<u>\$ 351,548</u>	<u>\$ 6,330,939</u>	<u>\$ 15,535</u>	<u>\$ 6,702,024</u>

**Securitizations, Gains on the Sale of Mortgage-Backed Securities and Mortgages Held for Sale**

During the three months ended September 30, 2025 and 2024, the Agency securitized mortgage loans with a principal balance of \$601 and \$2,201, respectively, into MBSs through GNMA or directly to FNMA through their cash window. MBSs are either sold to private investors or purchased by the Agency. Ongoing revenue for the Agency is generated from servicing the loans pooled into MBSs, which is reported as program income and fees, and by gains derived from the sale price less the value of the underlying mortgages of the MBSs at the time of settlement. Total

## **PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

---

gains on the sale of MBSs for the three months ended September 30, 2025, and 2024 equaled \$10 and \$39, respectively, reported in Investment income on the Statement of Revenues, Expenses, and Changes in Net Position. Mortgages held for sale are reported at fair value measured by Level 2 inputs based upon observable quoted prices of similar assets. Mortgages held for sale totaled \$43,776 and \$44,189 at September 30, 2025 and June 30, 2025, respectively.

### **Mortgage Loan Collateral and Insurance Coverage**

General Activity mortgage loans receivable represent amounts disbursed through the Agency's Mixed-Use Facility Financing Initiative ("MUFFI"), Homeownership Choice Program ("HCP") and Revised Community Leveraging Assistance Initiative Mortgage ("ReCLAIM"). The loans are not insured, but they are secured by promissory notes and mortgages on the associated properties.

Multifamily Program mortgage loans receivable are not insured, but are collateralized by mortgages on the related projects. The federal government subsidizes certain projects included in the Multifamily Program mortgage loan portfolio.

Single Family Program mortgage loans are secured by liens on the related real property, and private mortgage insurance is generally required on all mortgage loans where the loan principal amount exceeds 80% of the lesser of the purchase price or the initial appraised value of the property. Private mortgage insurance for Single Family Program mortgage loans is provided by commercial companies, the Agency's Insurance Program, certain federal programs through the Federal Housing Administration ("FHA"), United States Department of Veterans Affairs ("VA"), United States Department of Agriculture – Rural Development ("RD"), FNMA, and varying other sources.

### **Mortgage-Backed Security Repurchase Reserve**

Mortgage loans securitized into MBSs through either GNMA or FNMA ("securitized loans") are not included in the Agency's financial statements. If a borrower fails to make a timely payment on a mortgage loan, the Agency must use its own funds to ensure that holders of Agency-issued MBSs receive timely payment. In circumstances of significant borrower delinquency, the Agency will repurchase a securitized loan from its respective MBS. Repurchased mortgage loans are included in the Agency's financial statements; as a result, the risk of loss, net of mortgage insurance, associated with these loans is considered in management's routine evaluation of the allowances for loan losses and the Agency has, therefore, established a repurchase reserve for these securitized loans. Securitized loans repurchased by the Agency totaled \$580 and \$794 for the three months ended September 30, 2025 and 2024, respectively, and the Agency's repurchase reserve for securitized loans equaled \$2,632 at September 30, 2025 and June 30, 2025.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

**Allowance for Loan Loss**

The allowances for loan losses at September 30, 2025 and 2024 consisted of the following:

	<b>September 30, 2025</b>				<b>Total</b>
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family</b>		
			<b>Program</b>	<b>HEMAP</b>	
Beginning balance	\$ 6,003	\$ 94,878	\$ 15,448	\$ 21,413	\$ 137,742
Loss provision (recoveries)	-	729	-	(3)	726
Net losses	-	(45)	(492)	(339)	(876)
Ending balance	<u>\$ 6,003</u>	<u>\$ 95,562</u>	<u>\$ 14,956</u>	<u>\$ 21,071</u>	<u>\$ 137,592</u>

	<b>September 30, 2024</b>				<b>Total</b>
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family</b>		
			<b>Program</b>	<b>HEMAP</b>	
Beginning balance	\$ 5,743	\$ 94,918	\$ 14,707	\$ 23,600	\$ 138,968
Loss provision (recoveries)	-	6	570	(17)	559
Net losses	-	-	(315)	(169)	(484)
Ending balance	<u>\$ 5,743</u>	<u>\$ 94,924</u>	<u>\$ 14,962</u>	<u>\$ 23,414</u>	<u>\$ 139,043</u>

Amounts reported as provision for loan loss and real estate owned on the statement of revenues, expenses and changes in net position for the three months ended September 30, 2025 and 2024 consisted of the following:

	<b>September 30, 2025</b>				<b>Total</b>
	<b>General Activities</b>	<b>Multifamily Program</b>	<b>Single Family</b>		
			<b>Program</b>	<b>HEMAP</b>	
Loss provision (recoveries)	\$ -	\$ 729	\$ -	\$ (3)	\$ 726
Self-insured losses	-	-	-	-	-
Change in value of REOs	-	-	-	-	-
Accrued interest losses	-	-	-	-	-
Change in repurchase reserve	-	-	77	-	77
Provision (recoveries) for loan loss and real estate owned	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 77</u>	<u>\$ (3)</u>	<u>\$ 803</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

## Notes to Financial Statements

September 30, 2025 (in thousands)

	September 30, 2024				
	General	Multifamily	Single	HEMAP	Total
	Activities	Program	Family		
			Program		
Loss provision (recoveries)	\$ -	\$ 6	\$ 570	\$ (17)	\$ 559
Self-insured losses	-	-	-	-	-
Change in value of REOs	-	-	(255)	-	(255)
Accrued interest losses	-	46	-	-	46
Change in repurchase reserve	-	-	160	-	160
Provision for loan loss and real estate owned	\$ -	\$ 52	\$ 475	\$ (17)	\$ 510

**5. Real Estate Owned by the Agency**

Real estate owned by the Agency included 102 properties with a net realizable value of \$10,262 at September 30, 2025, and 121 properties with a net realizable value of \$9,595 at June 30, 2025.

**6. Bonds and Notes Payable**

The Agency issues bonds and notes payable to finance its lending programs. Proceeds from long-term debt of the Multifamily Program and Single Family Program are used to fund Multifamily and Single Family mortgage loans. General Activities long-term debt is used to finance the Agency's headquarters in Harrisburg, Pennsylvania.

Interest on bonds and notes payable is payable semi-annually. Interest rates on variable rate debt reset on a quarterly, monthly or weekly basis. Interest paid on indexed floating-rate tax-exempt bonds is closely correlated with the Securities Industry and Financial Markets Association Municipal Swap ("SIFMA") rate. At September 30, 2025, variable interest rates payable ranged from 2.00% to 4.04%. At June 30, 2025, variable interest rates payable ranged from 2.00% to 4.04%.

The aggregate principal amounts of bonds and notes payable outstanding at September 30, 2025 and June 30, 2025, maturity dates and corresponding interest rates at September 30, 2025 are illustrated in the following table.

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

Bond Series	Interest rates at September 30, 2025		Maturity Date	Amounts outstanding at	
	Variable	Fixed		September 30, 2025	June 30, 2025
General Activities:					
Headquarters Bonds *	404 bps	-	2037	\$ 25,000	\$ 25,000
Single Family Program:					
Bonds Payable					
Series 2013 - 116	-	3.30-3.45%	2026	2,225	2,225
Series 2015 - 117	-	3.45-3.90%	2035	21,940	21,940
Series 2015 - 118	-	3.20-3.80%	2040	30,650	30,650
Series 2016 - 119	-	2.60-3.50%	2041	71,145	71,145
Series 2016 - 120	-	2.15-3.50%	2046	124,235	124,235
Series 2016 - 121	-	2.10-3.50%	2046	153,260	153,260
Series 2017 - 122	-	2.85-4.00%	2046	60,660	60,660
Series 2017 - 123	-	2.90-4.00%	2039	48,865	48,865
Series 2017 - 124	-	2.20-4.00%	2042	121,125	121,125
Series 2017 - 125	-	2.375-3.70%	2047	133,055	133,055
Series 2018 - 126	-	2.90-4.00%	2048	24,355	24,355
Series 2018 - 127	-	2.70-3.55%	2033	75,025	75,025
Series 2018 - 128	-	3.50-4.75%	2034	34,685	34,685
Series 2019 - 129	-	2.10-3.40%	2049	122,000	122,000
Series 2019 - 130	-	1.55-4.00%	2049	113,970	113,970
Series 2019 - 131	-	1.80-3.50%	2049	99,585	99,585
Series 2020 - 132* **	200 bps	1.25-3.50%	2051	164,100	164,100
Series 2020 - 133	-	1.75-5.00%	2050	173,055	173,055
Series 2021 - 134	-	0.80-5.00%	2049	122,830	122,830
Series 2021 - 135	-	1.57-5.00%	2051	149,005	149,005
Series 2021 - 136	-	1.80-5.00%	2051	253,950	253,950
Series 2021 - 137	-	1.90-5.00%	2051	225,700	225,700
Series 2022 - 138 **	-	2.50-5.00%	2052	231,660	231,660
Series 2022 - 139 **	-	3.35-5.00%	2052	269,465	269,465
Series 2022 - 140 **	-	3.59-5.156%	2052	282,585	282,585

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Notes to Financial Statements

September 30, 2025 (in thousands)

Bond Series	Interest Rates at September 30, 2025		Maturity Date	Amounts Outstanding at	
	Variable	Fixed		September 30, 2025	June 30, 2025
Series 2023 - 141* **	200 bps	3.10-5.75%	2053	455,175	455,175
Series 2023 - 142**	-	3.40-5.50%	2053	441,415	441,415
Series 2023 - 143**	-	4.70-6.458%	2053	452,050	452,050
Series 2024 - 144	-	3.75-6.00%	2054	261,240	261,240
Series 2024 - 145	-	3.90-6.00%	2054	446,345	446,345
Series 2024 - 146	-	3.875-6.25%	2054	492,205	492,205
Series 2024 - 147	-	3.25-6.25%	2054	296,405	296,405
Series 2025 - 148	-	2.95-6.25%	2055	326,810	326,810
Series 2025 - 149	-	4.35-6.50%	2055	577,525	-
Series 2025 - 150	-	3.75-6.50%	2055	402,235	-
Total Single Family Program Bonds Payable				<u>7,260,535</u>	<u>6,280,775</u>
Notes Payable from Direct Borrowings					
General Obligation Note	-	2.75%	2034	<u>20,417</u>	<u>20,417</u>
Total Single Family Program Notes Payable				<u>20,417</u>	<u>20,417</u>
Unamortized bond premiums				<u>139,647</u>	<u>109,037</u>
Total bonds and notes payable				<u>7,445,599</u>	<u>6,435,229</u>
Current portion				<u>179,458</u>	<u>174,363</u>
Noncurrent portion				<u>\$ 7,266,141</u>	<u>\$ 6,260,866</u>

bps - basis points

\* – All or a portion of the balances of these bonds payable include variable rate demand obligations. Interest rates on VRDO's reset on a weekly basis.

\*\* - The bond series includes direct placement bonds under the SF Indenture which are secured on parity with all other outstanding bonds under the same SF Indenture and there are no terms of the SF Indenture that are unique to those direct placement bonds.

**7. Restricted Net Position**

The Single Family Program's September 30, 2025 and June 30, 2025 net position restrictions equaling \$223,690 and \$194,084, respectively, are restricted pursuant to the Agency's obligations to HUD and its bondholders; provisions are present within the Single Family Program bond indenture. Net position restrictions within HEMAP totaling \$29,647 and \$30,220 at September 30, 2025 and June 30, 2025, respectively, represent amounts restricted for the purpose of making mortgage assistance loans.

**SUPPLEMENTARY INFORMATION**

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

September 30, 2025 (in thousands)

	General	Multifamily	Single Family	Insurance		Intra-Agency	
	Activities	Housing	Mortgage	Program	HEMAP	Eliminations	Total
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ (74,074)	\$ 158,999	\$ 1,043,200	\$ 72,946	\$ 22,508	\$ -	\$ 1,223,579
Restricted cash and cash equivalents	12,751	92,538	92,984	-	-	-	198,273
Investments	4,898	-	-	1,952	-	-	6,850
Restricted investments	-	-	6,109	-	-	-	6,109
Accrued investment interest receivable	368	-	2,643	-	-	-	3,011
Mortgage loans receivable, net	-	3,165	157,382	-	3,685	-	164,232
Accrued mortgage loan interest receivable	-	81	32,684	-	256	-	33,021
Mortgages held for sale	-	-	43,766	-	-	-	43,766
Other current assets	3,116	2	-	-	-	-	3,118
<b>Total Current Assets</b>	<b>(52,941)</b>	<b>254,785</b>	<b>1,378,768</b>	<b>74,898</b>	<b>26,449</b>	<b>-</b>	<b>1,681,959</b>
<b>Noncurrent Assets:</b>							
Investments	92,960	-	-	54,804	-	-	147,764
Restricted investments	-	7,122	170,899	-	-	-	178,021
Mortgage loans receivable, net	4,188	358,340	6,713,836	-	14,981	-	7,091,345
Derivative instrument - interest rate swaps	586	-	8,164	-	-	-	8,750
Real estate owned	-	-	10,262	-	-	-	10,262
Capital assets, net	53,269	-	-	-	-	-	53,269
Intra-agency receivables	286,547	27,701	-	-	-	(314,248)	-
Other noncurrent assets	10,147	-	69,450	-	-	(10,120)	69,477
<b>Total Noncurrent Assets</b>	<b>447,697</b>	<b>393,163</b>	<b>6,972,611</b>	<b>54,804</b>	<b>14,981</b>	<b>(324,368)</b>	<b>7,558,888</b>
<b>TOTAL ASSETS</b>	<b>394,756</b>	<b>647,948</b>	<b>8,351,379</b>	<b>129,702</b>	<b>41,430</b>	<b>(324,368)</b>	<b>9,240,847</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred outflows	12,919	-	-	-	-	-	12,919
Pension-related deferred outflows	10,626	-	-	-	-	-	10,626
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>23,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,545</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 418,301</b>	<b>\$ 647,948</b>	<b>\$ 8,351,379</b>	<b>\$ 129,702</b>	<b>\$ 41,430</b>	<b>\$ (324,368)</b>	<b>\$ 9,264,392</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

September 30, 2025 (in thousands)

LIABILITIES	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Intra-Agency Eliminations	Total
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	\$ 1,336	\$ -	\$ 189	\$ -	\$ 320	\$ -	\$ 1,845
Bonds and notes payable, net	2,000	-	177,458	-	-	-	179,458
Accrued interest payable	66	-	137,584	-	-	-	137,650
Escrow deposits and development reserves	1,007	31,372	31,191	-	-	-	63,570
Software-based IT arrangements	886	-	-	-	-	-	886
Other current liabilities	125,318	366	24,153	-	-	-	149,837
<b>Total Current Liabilities</b>	<b>130,613</b>	<b>31,738</b>	<b>370,575</b>	<b>-</b>	<b>320</b>	<b>-</b>	<b>533,246</b>
<b>Noncurrent Liabilities:</b>							
Bonds and notes payable, net	23,000	-	7,243,141	-	-	-	7,266,141
Development reserves	-	126,849	-	-	-	-	126,849
Intra-agency payables	-	-	314,248	-	-	(314,248)	-
Total OPEB liability	91,502	-	-	-	-	-	91,502
Net pension liability	30,146	-	-	-	-	-	30,146
Software-based IT arrangements	3,078	-	-	-	-	-	3,078
Other noncurrent liabilities	9,129	245,031	-	5,849	11,463	(10,120)	261,352
<b>Total Noncurrent Liabilities</b>	<b>156,855</b>	<b>371,880</b>	<b>7,557,389</b>	<b>5,849</b>	<b>11,463</b>	<b>(324,368)</b>	<b>7,779,068</b>
<b>TOTAL LIABILITIES</b>	<b>287,468</b>	<b>403,618</b>	<b>7,927,964</b>	<b>5,849</b>	<b>11,783</b>	<b>(324,368)</b>	<b>8,312,314</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred inflows	39,969	-	-	-	-	-	39,969
Pension-related deferred inflows	2,829	-	-	-	-	-	2,829
Unamortized gains on bond refundings	-	-	2,128	-	-	-	2,128
Accumulated increase in fair value of hedging derivatives	586	-	8,164	-	-	-	8,750
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>43,384</b>	<b>-</b>	<b>10,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,676</b>
<b>NET POSITION</b>							
Net investment in capital assets	24,305	-	-	-	-	-	24,305
Restricted	-	-	223,690	-	29,647	-	253,337
Unrestricted	63,144	244,330	189,433	123,853	-	-	620,760
<b>TOTAL NET POSITION</b>	<b>87,449</b>	<b>244,330</b>	<b>413,123</b>	<b>123,853</b>	<b>29,647</b>	<b>-</b>	<b>898,402</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 418,301</b>	<b>\$ 647,948</b>	<b>\$ 8,351,379</b>	<b>\$ 129,702</b>	<b>\$ 41,430</b>	<b>\$ (324,368)</b>	<b>\$ 9,264,392</b>

## PENNSYLVANIA HOUSING FINANCE AGENCY

### Combining Statement of Revenues, Expenses and Changes in Net Position

Three Months Ended September 30, 2025 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Operating Revenues:</b>						
Interest income on mortgage loans	\$ -	\$ 1,874	\$ 79,698	\$ -	\$ 38	\$ 81,610
Program income and fees	31,965	172	-	4,467	33	36,637
Investment income	3,223	750	7,173	663	234	12,043
Net increase in fair value of investments	2,585	103	2,002	525	-	5,215
Gain on early extinguishment of debt	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>37,773</b>	<b>2,899</b>	<b>88,873</b>	<b>5,655</b>	<b>305</b>	<b>135,505</b>
<b>Operating Expenses:</b>						
Interest expense on bonds and notes	204	-	70,705	-	-	70,909
Financing expenses	-	-	6,652	-	-	6,652
Program expenses	16,097	-	7,635	-	-	23,732
Salaries and related benefits	15,401	-	-	-	653	16,054
General and administrative	6,912	95	2,022	-	228	9,257
Provision (recoveries) for loan loss and real estate owned	-	729	77	-	(3)	803
<b>Total Operating Expenses</b>	<b>38,614</b>	<b>824</b>	<b>87,091</b>	<b>-</b>	<b>878</b>	<b>127,407</b>
<b>Operating (Loss) Income</b>	<b>(841)</b>	<b>2,075</b>	<b>1,782</b>	<b>5,655</b>	<b>(573)</b>	<b>8,098</b>
<b>Nonoperating Revenue</b>						
Federal program awards	13,069	159,031	815	-	-	172,915
<b>Nonoperating Expense</b>						
Federal program expense	13,069	159,031	815	-	-	172,915
<b>Income (Loss) Before Transfers</b>	<b>(841)</b>	<b>2,075</b>	<b>1,782</b>	<b>5,655</b>	<b>(573)</b>	<b>8,098</b>
Intra-agency transfers	(7,420)	(93)	7,513	-	-	-
<b>Change in Net Position</b>	<b>(8,261)</b>	<b>1,982</b>	<b>9,295</b>	<b>5,655</b>	<b>(573)</b>	<b>8,098</b>
<b>Net Position - beginning of year</b>	<b>95,710</b>	<b>242,348</b>	<b>403,828</b>	<b>118,198</b>	<b>30,220</b>	<b>890,304</b>
<b>Net Position - end of period</b>	<b>\$ 87,449</b>	<b>\$ 244,330</b>	<b>\$ 413,123</b>	<b>\$ 123,853</b>	<b>\$ 29,647</b>	<b>\$ 898,402</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2025 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Cash flows from operating activities:</b>						
Receipts of mortgage loan payments	\$ 19	\$ 3,657	\$ 99,792	\$ -	\$ 1,953	\$ 105,421
Receipts of fees and other income	31,965	172	-	4,467	33	36,637
Receipts of interest on mortgages	-	1,863	75,653	-	38	77,554
(Payments) Receipts of escrows and reserves	(27,834)	(769)	(42,308)	(153)	-	(71,064)
Payments for mortgages and purchases	(205)	(11,328)	(478,596)	-	(1,046)	(491,175)
Payments for salaries and related benefits	(11,401)	-	-	-	-	(11,401)
Payments for goods, services and other	(20,614)	(95)	(15,284)	-	(1,388)	(37,381)
<b>Net cash (used in) provided by operating activities</b>	<u>(28,070)</u>	<u>(6,500)</u>	<u>(360,743)</u>	<u>4,314</u>	<u>(410)</u>	<u>(391,409)</u>
<b>Cash flows from noncapital financing activities:</b>						
Proceeds from the issuance of bonds and notes	-	-	1,011,666	-	-	1,011,666
Payments of bonds and notes interest	-	-	1,268	-	-	1,268
Payments of financing costs	-	-	(6,652)	-	-	(6,652)
Receipts (repayments) of program advances	(7,562)	(93)	7,655	-	-	-
Receipts of federal program awards	13,069	159,031	815	-	-	172,915
Payments of federal program awards	(13,069)	(159,031)	(815)	-	-	(172,915)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(7,562)</u>	<u>(93)</u>	<u>1,013,937</u>	<u>-</u>	<u>-</u>	<u>1,006,282</u>
<b>Cash flows from capital financing activities:</b>						
Purchases of capital assets	834	-	-	-	-	834
Payments for interest on capital financing bond	(201)	-	-	-	-	(201)
<b>Net cash used in capital financing activities</b>	<u>633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633</u>
<b>Cash flows from investing activities:</b>						
Proceeds from the sale or maturity of investments	5,019	-	13,118	-	-	18,137
Receipts of investment interest	3,158	825	7,117	663	232	11,995
Payments for purchases of investments	(9)	(4)	(28)	(68)	-	(109)
<b>Net cash provided by investing activities</b>	<u>8,168</u>	<u>821</u>	<u>20,207</u>	<u>595</u>	<u>232</u>	<u>30,023</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(26,831)</u>	<u>(5,772)</u>	<u>673,401</u>	<u>4,909</u>	<u>(178)</u>	<u>645,529</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>(34,492)</u>	<u>257,309</u>	<u>462,783</u>	<u>68,037</u>	<u>22,686</u>	<u>776,323</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ (61,323)</u>	<u>\$ 251,537</u>	<u>\$1,136,184</u>	<u>\$ 72,946</u>	<u>\$ 22,508</u>	<u>\$ 1,421,852</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2025 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Reconciliation of Operating Income (Loss) to</b>						
<b>Net Cash (Used In) Provided By Operating Activities:</b>						
Operating Income (Loss)	\$ (841)	\$ 2,075	\$ 1,782	\$ 5,655	\$ (573)	\$ 8,098
Investment income recognized	(3,223)	(750)	(7,173)	(663)	(234)	(12,043)
Net change in fair value of investments	(2,585)	(103)	(2,002)	(525)	-	(5,215)
Net change in fair value of swaps	-	-	-	-	-	-
Interest expense on bonds and notes	204	-	70,705	-	-	70,909
Financing expenses	-	-	6,652	-	-	6,652
(Recoveries) Provision for loan loss and real estate owned	-	729	77	-	(3)	803
Depreciation	2,304	-	-	-	-	2,304
Changes in Assets and Liabilities:	-	-	-	-	-	-
Mortgage loans receivable, net	(185)	(7,671)	(384,833)	-	438	(392,251)
Mortgage loans interest receivable	-	(11)	(4,045)	-	-	(4,056)
Real Estate Owned, Net	-	-	(667)	-	-	(667)
Other assets	1,105	-	(7,967)	-	-	(6,862)
Accounts payable and accrued expenses	(660)	-	93	-	(48)	(615)
Escrow deposits and development reserves	207	(1,892)	(36,997)	-	-	(38,682)
Other liabilities	(24,396)	1,123	3,632	(153)	10	(19,784)
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b><u>\$ (28,070)</u></b>	<b><u>\$ (6,500)</u></b>	<b><u>\$ (360,743)</u></b>	<b><u>\$ 4,314</u></b>	<b><u>\$ (410)</u></b>	<b><u>\$ (391,409)</u></b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

June 30, 2025 (in thousands)

	General	Multifamily	Single Family	Insurance		Intra-Agency	
ASSETS	Activities	Housing	Mortgage	Program	HEMAP	Eliminations	Total
<b>Current assets:</b>							
Cash and cash equivalents	\$ (57,317)	\$ 162,683	\$ 226,567	\$ 68,037	\$ 22,686	\$ -	\$ 422,656
Restricted cash and cash equivalents	22,825	94,626	236,216	-	-	-	353,667
Investments	4,998	-	-	-	-	-	4,998
Restricted investments	-	-	11,030	-	-	-	11,030
Accrued investment interest receivable	303	75	2,587	-	-	-	2,965
Mortgage loans receivable, net	-	3,015	157,232	-	3,566	-	163,813
Accrued mortgage loan interest receivable	-	70	28,639	-	254	-	28,963
Mortgages held for sale	-	-	44,189	-	-	-	44,189
Other current assets	4,257	2	-	-	-	-	4,259
<b>Total Current Assets</b>	<b>(24,934)</b>	<b>260,471</b>	<b>706,460</b>	<b>68,037</b>	<b>26,506</b>	<b>-</b>	<b>1,036,540</b>
<b>Noncurrent Assets:</b>							
Investments	95,285	-	-	56,163	-	-	151,448
Restricted investments	-	7,015	177,066	-	-	-	184,081
Mortgage loans receivable, net	4,002	351,548	6,330,939	-	15,535	-	6,702,024
Derivative instrument - interest rate swaps	683	-	9,029	-	-	-	9,712
Real estate owned	-	-	9,595	-	-	-	9,595
Capital assets, net	56,408	-	-	-	-	-	56,408
Intra-agency receivables	286,405	27,701	-	-	-	(314,106)	-
Other noncurrent assets	10,111	-	61,483	-	-	(10,090)	61,504
<b>Total Noncurrent Assets</b>	<b>452,894</b>	<b>386,264</b>	<b>6,588,112</b>	<b>56,163</b>	<b>15,535</b>	<b>(324,196)</b>	<b>7,174,772</b>
<b>TOTAL ASSETS</b>	<b>427,960</b>	<b>646,735</b>	<b>7,294,572</b>	<b>124,200</b>	<b>42,041</b>	<b>(324,196)</b>	<b>8,211,312</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
OPEB-related deferred outflows	12,919	-	-	-	-	-	12,919
Pension-related deferred outflows	10,626	-	-	-	-	-	10,626
Accumulated decrease (increase) in fair value of hedging derivatives	-	-	-	-	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>23,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,545</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 451,505</b>	<b>\$ 646,735</b>	<b>\$ 7,294,572</b>	<b>\$ 124,200</b>	<b>\$ 42,041</b>	<b>\$ (324,196)</b>	<b>\$ 8,234,857</b>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Balance Sheet

June 30, 2025 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Intra-Agency Eliminations	Total
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	\$ 1,996	\$ -	\$ 96	\$ -	\$ 368	\$ -	\$ 2,460
Bonds and notes payable, net	2,000	-	172,363	-	-	-	174,363
Accrued interest payable	63	-	65,611	-	-	-	65,674
Escrow deposits and development reserves	800	35,638	68,188	-	-	-	104,626
Software-based IT arrangements	886	-	-	-	-	-	886
Other current liabilities	153,348	253	21,386	-	-	-	174,987
<b>Total Current Liabilities</b>	<b>159,093</b>	<b>35,891</b>	<b>327,644</b>	<b>-</b>	<b>368</b>	<b>-</b>	<b>522,996</b>
<b>Noncurrent Liabilities:</b>							
Bonds and notes payable, net	23,000	-	6,237,866	-	-	-	6,260,866
Derivative instruments - interest rate swaps	-	-	-	-	-	-	-
Development reserves	-	124,475	-	-	-	-	124,475
Intra-agency payables	-	-	314,106	-	-	(314,106)	-
Total OPEB liability	89,502	-	-	-	-	-	89,502
Net pension liability	28,146	-	-	-	-	-	28,146
Software-based IT arrangements	3,433	-	-	-	-	-	3,433
Other noncurrent liabilities	9,140	244,021	-	6,002	11,453	(10,090)	260,526
<b>Total Noncurrent Liabilities</b>	<b>153,221</b>	<b>368,496</b>	<b>6,551,972</b>	<b>6,002</b>	<b>11,453</b>	<b>(324,196)</b>	<b>6,766,948</b>
<b>TOTAL LIABILITIES</b>	<b>312,314</b>	<b>404,387</b>	<b>6,879,616</b>	<b>6,002</b>	<b>11,821</b>	<b>(324,196)</b>	<b>7,289,944</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
OPEB-related deferred inflows	39,969	-	-	-	-	-	39,969
Pension-related deferred inflows	2,829	-	-	-	-	-	2,829
Unamortized losses on bond refundings	-	-	2,099	-	-	-	2,099
Accumulated decrease (increase) in fair value of hedging derivatives	683	-	9,029	-	-	-	9,712
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>43,481</b>	<b>-</b>	<b>11,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,609</b>
<b>NET POSITION</b>							
Net investment in capital assets	27,089	-	-	-	-	-	27,089
Restricted	-	-	194,084	-	30,220	-	224,304
Unrestricted	68,621	242,348	209,744	118,198	-	-	638,911
<b>TOTAL NET POSITION</b>	<b>95,710</b>	<b>242,348</b>	<b>403,828</b>	<b>118,198</b>	<b>30,220</b>	<b>-</b>	<b>890,304</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 451,505</b>	<b>\$ 646,735</b>	<b>\$ 7,294,572</b>	<b>\$ 124,200</b>	<b>\$ 42,041</b>	<b>\$ (324,196)</b>	<b>\$ 8,234,857</b>

## PENNSYLVANIA HOUSING FINANCE AGENCY

### Combining Statement of Revenues, Expenses and Changes in Net Position Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Operating Revenues:</b>						
Interest income on mortgage loans	\$ -	\$ 1,905	\$ 58,061	\$ -	\$ 51	\$ 60,017
Program income and fees	28,185	688	-	3,332	35	32,240
Investment income	5,537	809	9,391	717	278	16,732
Net increase in fair value of investments	8,150	376	7,519	1,468	-	17,513
Gain on early extinguishment of debt	-	-	195	-	-	195
<b>Total Operating Revenues</b>	<b>41,872</b>	<b>3,778</b>	<b>75,166</b>	<b>5,517</b>	<b>364</b>	<b>126,697</b>
<b>Operating Expenses:</b>						
Interest expense on bonds and notes	225	-	54,516	-	-	54,741
Financing expenses	28	-	3,883	-	-	3,911
Program expenses	11,060	-	7,839	-	-	18,899
Salaries and related benefits	15,521	-	-	-	718	16,239
General and administrative	5,123	173	2,348	-	210	7,854
(Recoveries) Provision for loan loss and real estate owned	-	52	475	-	(17)	510
<b>Total Operating Expenses</b>	<b>31,957</b>	<b>225</b>	<b>69,061</b>	<b>-</b>	<b>911</b>	<b>102,154</b>
<b>Operating (Loss) Income</b>	<b>9,915</b>	<b>3,553</b>	<b>6,105</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
<b>Nonoperating Revenue</b>						
Federal program awards	26,013	145,094	2,004	-	-	173,111
<b>Nonoperating Expense</b>						
Federal program expense	26,013	145,094	2,004	-	-	173,111
<b>(Loss) Income Before Transfers</b>	<b>9,915</b>	<b>3,553</b>	<b>6,105</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
Intra-agency transfers	(8,145)	(109)	8,254	-	-	-
<b>Change in Net Position</b>	<b>1,770</b>	<b>3,444</b>	<b>14,359</b>	<b>5,517</b>	<b>(547)</b>	<b>24,543</b>
<b>Net Position - beginning of year</b>	<b>78,797</b>	<b>237,028</b>	<b>376,075</b>	<b>102,482</b>	<b>32,247</b>	<b>826,629</b>
<b>Net Position - end of period</b>	<b>\$ 80,567</b>	<b>\$ 240,472</b>	<b>\$ 390,434</b>	<b>\$ 107,999</b>	<b>\$ 31,700</b>	<b>\$ 851,172</b>

# PENNSYLVANIA HOUSING FINANCE AGENCY

## Combining Statement of Cash Flows

Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Cash flows from operating activities:</b>						
Receipts of mortgage loan payments	\$ 15	\$ 16,371	\$ 73,420	\$ -	\$ 1,689	\$ 91,495
Receipts of fees and other income	28,185	688	-	3,332	35	32,240
Receipts of interest on mortgages	-	1,874	55,126	-	51	57,051
(Payments) Receipts of escrows and reserves	(48,040)	1,273	(35,729)	-	-	(82,496)
Payments for mortgages and purchases	(556)	(5,607)	(466,828)	-	(593)	(473,584)
Payments for salaries and related benefits	(11,521)	-	-	-	-	(11,521)
Payments for goods, services and other	(15,905)	(175)	(9,669)	-	(706)	(26,455)
<b>Net cash (used in) provided by operating activities</b>	<u>(47,822)</u>	<u>14,424</u>	<u>(383,680)</u>	<u>3,332</u>	<u>476</u>	<u>(413,270)</u>
<b>Cash flows from noncapital financing activities:</b>						
Proceeds from the issuance of bonds and notes	-	-	501,029	-	-	501,029
Payments of bonds and notes interest	-	-	1,943	-	-	1,943
Payments of financing costs	(28)	-	(3,883)	-	-	(3,911)
Receipts (repayments) of program advances	(7,755)	(109)	7,864	-	-	-
Receipts of federal program awards	26,013	145,094	2,004	-	-	173,111
Payments of federal program awards	(26,013)	(145,094)	(2,004)	-	-	(173,111)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(7,783)</u>	<u>(109)</u>	<u>506,953</u>	<u>-</u>	<u>-</u>	<u>499,061</u>
<b>Cash flows from capital financing activities:</b>						
Purchases of capital assets	(145)	-	-	-	-	(145)
Payments for interest on capital financing bond	(225)	-	-	-	-	(225)
<b>Net cash used in capital financing activities</b>	<u>(370)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370)</u>
<b>Cash flows from investing activities:</b>						
Proceeds from the sale or maturity of investments	73,719	-	9,578	-	-	83,297
Receipts of investment interest	7,019	524	9,612	717	279	18,151
Payments for purchases of investments	(9)	(5)	(7,274)	405	-	(6,883)
<b>Net cash provided by investing activities</b>	<u>80,729</u>	<u>519</u>	<u>11,916</u>	<u>1,122</u>	<u>279</u>	<u>94,565</u>
<b>Net increase in cash and cash equivalents</b>	24,754	14,834	135,189	4,454	755	179,986
<b>Cash and cash equivalents, beginning of year</b>	61,678	241,811	906,997	66,934	21,629	1,299,049
<b>Cash and cash equivalents, end of period</b>	<u>\$ 86,432</u>	<u>\$ 256,645</u>	<u>\$ 1,042,186</u>	<u>\$ 71,388</u>	<u>\$ 22,384</u>	<u>\$ 1,479,035</u>

**PENNSYLVANIA HOUSING FINANCE AGENCY**

Combining Statement of Cash Flows

Three Months Ended September 30, 2024 (in thousands)

	General Activities	Multifamily Housing Program	Single Family Mortgage Loan Program	Insurance Program	HEMAP	Total
<b>Reconciliation of Operating Income (Loss) to</b>						
<b>Net Cash (Used In) Provided By Operating Activities:</b>						
Operating Income (Loss)	\$ 9,915	\$ 3,553	\$ 6,105	\$ 5,517	\$ (547)	\$ 24,543
Investment income recognized	(5,537)	(809)	(9,391)	(717)	(278)	(16,732)
Net change in fair value of investments	(8,150)	(376)	(7,519)	(1,468)	-	(17,513)
Interest expense on bonds and notes	225	-	54,516	-	-	54,741
Financing expenses	28	-	3,883	-	-	3,911
Provision (recoveries) for loan loss and real estate owned	-	52	475	-	17	544
Depreciation	1,161	-	-	-	-	1,161
Gain on early extinguishment of debt	-	-	(195)	-	-	(195)
Changes in Assets and Liabilities:						
Mortgage loans receivable, net	(540)	10,660	(393,215)	-	1,005	(382,090)
Mortgage loans interest receivable	-	(31)	(2,935)	-	-	(2,966)
Real Estate Owned, Net	-	-	2,945	-	-	2,945
Other assets	(735)	(2)	(2,831)	-	-	(3,568)
Accounts payable and accrued expenses	177	-	(5)	-	(26)	146
Escrow deposits and development reserves	58	665	(34,888)	-	-	(34,165)
Other liabilities	(44,424)	712	(625)	-	305	(44,032)
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b>\$ (47,822)</b>	<b>\$ 14,424</b>	<b>\$ (383,680)</b>	<b>\$ 3,332</b>	<b>\$ 476</b>	<b>\$ (413,270)</b>