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**PENNSYLVANIA HOUSING FINANCE AGENCY**

**AND**

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
As Trustee**

**SUPPLEMENTAL INDENTURE OF TRUST**

**Dated: March 10, 2022**

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## **SUPPLEMENTAL INDENTURE OF TRUST**

This Supplemental Indenture of Trust, made and dated the 10th day of March, 2022, by and between the PENNSYLVANIA HOUSING FINANCE AGENCY (the “**Agency**”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor in interest to U.S. Bank National Association, as Trustee (the “**Trustee**”):

WITNESSETH:

WHEREAS, the Agency and the Trustee entered into an Indenture of Trust made and dated as of the 1st day of April, 1982 (the “**Original Indenture**”) pursuant to which the Agency has issued its Single Family Mortgage Revenue Bonds, Series A through Z and Series 1990-27 through Series 2021-137 (together with additional series issued by the Agency from time to time, the “**Bonds**”); and

WHEREAS, the Original Indenture has been amended pursuant to (a) a Resolution of the Agency on October 23, 1983, and pursuant to Supplemental Indentures of Trust made and dated as of June 15, 1984, April 1, 1985, July 1, 1985, and October 1, 1985, which Supplemental Indentures of Trust were all restated in a Supplemental Indenture of Trust dated as of June 1, 1986; (b) a Supplemental Indenture of Trust dated as of June 1, 1986; (c) a Supplemental Indenture of Trust dated as of October 1, 1987; (d) a Supplemental Indenture of Trust dated as of March 1, 1988; (e) a Supplemental Indenture of Trust dated as of March 31, 1988; (f) a Supplemental Indenture of Trust dated as of September 14, 1989; (g) a Supplemental Indenture of Trust dated as of May 30, 1990; (h) a Supplemental Indenture of Trust dated as of March 12, 1992; (i) a Supplemental Indenture of Trust dated May 11, 1994; (j) a Supplemental Indenture of Trust dated as of December 11, 1997; (k) Supplemental Indenture of Trust dated as of May 27, 2004; and (l) a Supplemental Indenture of Trust dated as of March 1, 2007 (collectively, the “**Supplemental Indentures**” and, together with the Original Indenture, the “**Indenture**”); and

WHEREAS, the Agency is authorized under Sections 204 and 206 of the Indenture to finance the purchase of Mortgage Loans in accordance with the requirements of the Agency’s Housing Finance Agency Law (the “**Act**”) which would include Mortgage Loans for individuals of “low or moderate income” which is defined in the Act as persons who cannot afford to pay the amounts at which private enterprise, without the assistance of the Act, is providing substantial supply of decent, safe and sanitary housing; and

WHEREAS, the Act further provides that income limits for such individuals of low or moderate income shall be those established pursuant to the rules and regulations established by the Agency; and

WHEREAS, the Agency is not prohibited from issuing federally taxable Bonds under the Indenture to finance such Mortgage Loans that would not otherwise comply with the requirements of Section 143 of the Internal Revenue Code of 1986, as amended (the “1986 Code”) for Mortgage Loans financed with federally tax-exempt Bonds and in fact, the Agency is authorized to issue Bonds to finance the purchase of Mortgage Loans in accordance with the Act

which include both Mortgage Loans financed with federally tax-exempt Bonds and federally taxable Bonds; and

WHEREAS, the term “federally tax-exempt Bonds” as used herein shall mean Bonds the interest on which is excluded from gross income for federal income tax purposes under Section 143 of the 1986 Code and any successor provision thereto, and the term “federally taxable Bonds” as used herein shall mean Bonds the interest on which is not excluded from gross income for federal income tax purposes; and

WHEREAS, the Agency has the authority under the Indenture to issue Refunding Bonds and substantially modify Mortgage Loans which can result in the refinancing of Mortgage Loans by reducing interest rates thereon by issuing Refunding Bonds to refund the Bonds that originated such Mortgage Loans; and

WHEREAS, Section 802(2) of the Indenture permits the Agency to amend the Indenture by entering into a Supplemental Indenture with the consent of the Trustee to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; and

WHEREAS, the Agency desires to enter into this Supplemental Indenture to clarify that only Mortgage Loans financed with federally tax-exempt Bonds need to comply with the requirements of Section 143 of the 1986 Code and the regulations promulgated thereunder, and that Bonds may be issued to refinance Mortgage Loans by amending the definition of Mortgage Loans under the Indenture; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Indenture.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS

Section 1. Definition of Mortgage Loan. The definition of Mortgage Loans in Section 101 of the Indenture is hereby amended and restated in its entirety to provide as follows:

“Mortgage Loan” shall mean any loan evidenced by a Mortgage Note which is secured by the related Mortgage for financing or refinancing a single family mortgage loan made to an Eligible Borrower as owner of a Residence, and which loan is being presented to the Agency for Purchase or has been Purchased pursuant to the Agreement with proceeds of either federally taxable Bonds or federally tax-exempt Bonds, together with any other funds available to the Agency; provided the Mortgage Loan must be a new mortgage loan and not a refinancing of an existing mortgage if proceeds of federally tax-exempt Bonds are used to Purchase such Mortgage Loan.”

Section 2. New Definitions. Section 101 of the Indenture is hereby amended to provide definitions for the following capitalized terms used herein but not otherwise defined:

“Eligible Borrower” shall have the meaning ascribed to such term in the Agreement, who shall in all cases satisfy the income limits and any other requirements prescribed by the Agency for low or moderate income persons and who shall satisfy the requirements of

Section 143 of the 1986 Code if the Mortgage Loan made to such Eligible Borrower is financed with federally tax-exempt Bonds.

“Residence” shall have the meaning ascribed to such term in the Agreement and shall be a single family residence located within the Commonwealth which can reasonably be expected to be the principal residence of the Mortgagor within a reasonable time after the Mortgage Loan financing or refinancing is provided.

Section 3. Purchase of Mortgage Loans. Section 402(3) of the Indenture is hereby amended and restated in its entirety to provide as follows:

“(3) that the Mortgage Documents have been reviewed and approved by the Agency, that such Mortgage Documents comply with the Program Guidelines and the Agreement, and any Mortgage Loans financed with federally tax-exempt Bond proceeds will comply with Section 143 of the 1986 Code and the regulations promulgated thereunder;”

Section 4. Assignment of Disposition of Mortgage Loans. Clause (a) of Section 709 of the Indenture is hereby amended and restated in its entirety to provide as follows:

“(a) such Mortgage Loan, if financed with proceeds of federally tax-exempt Bonds, does not qualify for purchase under Section 143 of the 1986 Code or”

Section 5. Special Tax Covenants. Section 716 of the Indenture is hereby amended and restated in its entirety to provide as follows:

“The Agency shall not use or permit the use of any proceeds of federally tax-exempt Bonds to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Agency or the Trustee with respect to the Mortgage Loans financed with federally tax-exempt Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any federally tax-exempt Bond to be an “arbitrage bond” within the meaning of Section 148 of the 1986 Code or which would cause any Bond to violate any of the restrictions contained in Section 143 of the 1986 Code or the applicable Treasury Regulations promulgated thereunder.

The Agency shall not take any action or fail to take any action or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exemption from federal income taxation of the interest on any federally tax-exempt Bonds.”

Section 6. Confirmation. Except as restated, amended, and supplemented by this Supplemental Indenture of Trust, the Indenture is hereby ratified and confirmed in all respects and made applicable in all respects to the Bonds, the holders thereof and the security therefor. The Indenture and this Supplemental Indenture of Trust shall be read, taken, and construed as one and the same instrument.

Section 7. Severability. If any part of the Indenture or this Supplemental Indenture of Trust shall be determined to be invalid or void in any respect, such determination shall not affect, impair, invalidate, or nullify the remaining provisions of the Indenture or this Supplemental Indenture of Trust, which shall continue in full force and effect.

Section 8. Counterparts. This Supplemental Indenture of Trust may be executed in several original counterparts by the parties hereto, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture of Trust to be executed in their respective names by duly authorized officers and to be dated the 10th day of March, 2022.

[SEAL]

**ATTEST:**

**PENNSYLVANIA HOUSING  
FINANCE AGENCY**

By:     /s/ Maggie Strawser      
Maggie Strawser  
Secretary

By:     /s/ Robin L. Wiessmann      
Robin L. Wiessmann  
Executive Director

**ATTEST:**

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION**

By:     /s/ Michael Judge      
Name: Michael Judge  
Title: Vice President

By:     /s/ Gregory P. Guim      
Name: Gregory P. Guim  
Title: Vice President