

**CONNECTICUT HOUSING FINANCE AUTHORITY**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025 AND 2024



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

## CONNECTICUT HOUSING FINANCE AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Connecticut Housing Finance Authority

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

#### **Opinion**

We have audited the accompanying financial statements of the Connecticut Housing Finance Authority (the Authority), a component unit of the state of Connecticut, as of and for the year ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **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 State 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.

#### **Auditors' 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 auditors'

report that includes our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a

part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying combining and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2025, 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.



Hartford, Connecticut  
April 6, 2026

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024**

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This section of the Connecticut Housing Finance Authority's (the "Authority") financial statements, Management's Discussion and Analysis, presents an overview of the Authority's financial performance as of and for the years ended December 31, 2025 and 2024. It provides an assessment of the Authority's financial position and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

*Overview of the Financial Statements*

This annual financial report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Supplementary Information. The Authority is a self-supporting quasi-public agency established for the purpose of alleviating the shortage of affordable housing for low and moderate income households in the State of Connecticut and, when appropriate, to promote or maintain the economic development of Connecticut through employer-assisted housing efforts. The financial statements are presented using the accrual basis of accounting. The Authority operates in a manner similar to a private business that includes activities such as the financing of home mortgage loans and multifamily and special needs housing real estate development.

**The Basic Financial Statements**

The Statement of Net Position provides information about the Authority's financial condition at the end of the year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations (liabilities), its deferred inflows of resources and its resulting net position. Net position represents total assets, plus total deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, financing, capital and investing activities.

**The Notes to the Financial Statements**

The Notes to Financial Statements provide:

- Information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies.
- Details of contractual obligations, future commitments and contingencies of the Authority.
- Other events or developing situations that could materially affect the Authority's financial position.

**Required Supplementary Information and Supplementary Information**

Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's contributions to the State Employees' Retirement System (SERS).

The Supplementary Information includes individual program schedules that present the Authority's financial statements in more detail

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

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**Financial Highlights – Year Ended December 31, 2025**

During 2025, the Authority closed \$1.0 billion in single family loans bringing homeownership to 3,788 homebuyers. The need for multifamily financing remained strong. During the year, the Authority financed 1,168 affordable multifamily units for a total investment commitment of \$196.4 million.

The Time-To-Own (TTO) forgivable loan program continued to be highly utilized by homebuyers as a tool to enhance homeownership affordability. During the year, 2,718 or 72% of the Authority's borrowers received TTO loans. TTO along with the Downpayment Assistance Program (DAP) helped make purchasing a home a reality for CHFA borrowers. TTO and DAP are described in further detail in Note 16.

The Authority issued five series of Housing Mortgage Finance Program Bonds generating \$1.27 billion in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs, in addition to refunding approximately \$22.8 million in outstanding bonds. As demand remained high during 2025, the Authority issued a strategic mix of tax-exempt and taxable debt in response to volume cap constraints.

The Authority issued its first three series of bonds under the Housing Revenue Bond General Trust Indenture. The proceeds were used to finance the acquisition and rehabilitation of three multifamily properties. The bonds are backed by Fannie Mae MBS and as a result, are not carried under the Authority's general obligation.

The Authority's investment earnings were propelled by an increase in investments, specifically program assets, as the majority of single-family loans purchased during the year were securitized into mortgage-backed securities. Short-term interest rates, although lower than 2024, remained elevated during 2025. The State Treasurer's Short-Term Investment Fund averaged 4.32% for the year, starting the year at a high of 4.58%.

**Financial Highlights – Year Ended December 31, 2024**

During 2024, the Authority closed \$1.1 billion in single family loans bringing homeownership to 3,873 homebuyers. The need for multifamily financing remained strong as the high interest rate environment influenced the demand for 9% LIHTC taxable financings. During the year, the Authority financed 1,201 affordable multifamily units for a total investment commitment of \$234.9 million.

The Authority launched the Smart Rate Pilot Program during the year. Under Smart Rate, eligible borrowers receive a 1.125% interest rate reduction on their CHFA first mortgage. The goal of the Program's interest rate reduction is to help offset a borrower's student loan debt burden. During the year, the Authority funded 163 Smart Rate loans for \$49.4 million.

The TTO forgivable loan program was highly utilized by homebuyers as a tool to enhance homeownership affordability. During the year, 2,697 or 70% of the Authority's borrowers applied for and received TTO loans. TTO along with DAP helped propel single family production to near record levels.

The Authority issued six series of Housing Mortgage Finance Program Bonds generating \$1.1 billion in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately \$163.8 million in outstanding bonds. The Authority had originally projected to issue \$650 million in bonds, however, the large increase in homeownership purchase activity, substantially driven by the Authority's TTO forgivable loan program, drove the need to generate additional funding. This included the need to issue taxable bonds, as the remaining Private Activity Bond Volume Cap was exhausted during the year.

The Authority's investment earnings were propelled by an increase in investments, specifically program assets, as the majority of single-family loans purchased during the year were securitized into mortgage-backed

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

securities. Short-term interest rates remained elevated during 2024. The State Treasurer's Short-Term Investment Fund averaged 5.26% for the year, starting the year at a high of 5.49%.

**Financial Analysis of the Authority**

The following table summarizes the changes in Net Position between December 31, 2025, 2024 and 2023:

	(in millions)			% Change	
	2025	2024	2023	2025/2024	2024/2023
<b>Assets</b>					
Current assets	\$ 1,455.8	\$ 1,394.1	\$ 1,416.3	4.4 %	(1.6) %
Capital assets	3.3	3.6	4.2	(9.2)	(13.0)
Noncurrent assets	6,663.2	5,645.7	4,860.6	18.0	16.2
<b>Total assets</b>	<b>8,122.3</b>	<b>7,043.4</b>	<b>6,281.1</b>	<b>15.3</b>	<b>12.1</b>
<b>Deferred outflows of resources</b>					
Unamortized deferred bonds refunding costs	40.2	46.7	53.9	(14.0)	(13.3)
Deferred amounts for OPEB	9.0	15.3	15.5	(41.1)	(1.6)
Deferred amounts for pensions	10.8	14.7	9.5	(26.7)	55.1
<b>Total deferred outflows of resources</b>	<b>60.0</b>	<b>76.7</b>	<b>78.9</b>	<b>(21.8)</b>	<b>(2.8)</b>
<b>Liabilities</b>					
Long-term bonds payable	6,005.8	5,129.7	4,464.8	17.1	14.9
Net OPEB liability	39.5	56.3	52.1	(29.9)	8.0
Net pension liability	32.2	48.2	42.0	(33.1)	14.8
Other liabilities	908.5	881.5	808.1	3.1	9.1
<b>Total liabilities</b>	<b>6,986.0</b>	<b>6,115.7</b>	<b>5,367.0</b>	<b>14.2</b>	<b>13.9</b>
<b>Deferred inflow of resources</b>					
Deferred amount for OPEB	28.2	24.9	32.9	13.3	(24.6)
Deferred amount for pensions	16.4	11.7	16.1	40.7	(27.4)
Derivative Financial Instruments	194.7	203.3	171.3	(4.2)	18.7
<b>Total deferred inflows of resources</b>	<b>239.3</b>	<b>239.9</b>	<b>220.3</b>	<b>(0.3)</b>	<b>8.9</b>
<b>Net position</b>					
Net investment in capital assets	3.3	3.6	4.2	(9.2)	(13.0)
Restricted	953.7	760.9	768.5	25.3	(1.0)
<b>Total Net Position</b>	<b>\$ 957.0</b>	<b>\$ 764.5</b>	<b>\$ 772.7</b>	<b>25.2 %</b>	<b>(1.1) %</b>

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

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**Change 2025/2024**

- Cash and investments in securities increased \$981.5 million or 22.7% primarily resulting from:
  - A net increase of \$34.6 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - The majority of the single family loans purchased during the year were securitized into mortgage-backed securities resulting in an increase in Program Assets of \$1.053 billion. Program Assets and other investments were reduced by maturities of \$236.9 million.
  - A \$130.8 million increase attributable to the increase in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements). There is an inverse relationship between the market value of MBS's and changes in interest rates.
- Mortgage loan receivable increased by \$84.3 million or 3.3%. This increase was substantially attributed to the increase in the multifamily construction and permanent loan portfolios.
- Accrued interest receivable on securities increased \$3.6 million or 21.5%. This increase is due to the increase in the Authority's investment portfolio, as the majority of single-family loans purchased were securitized.
- Accounts receivable and other assets increased \$17.5 million or 18.9%. This increase is substantially attributed to:
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single-family loans that have been originated, however are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. The Authority entered into seller/servicer agreements with two other providers during 2025. Those new arrangements did not require immediate reimbursement for loans awaiting securitization. This reduced the volume of loans that were required to be immediately reimbursed, and as a result reduced the corresponding receivable by \$20 million over prior year. However, multifamily funding provided under the new Housing Revenue Bond Indenture during the year in the amount of \$37.5 million will not convert to a mortgage-backed security until the end of the two-year construction period.
- Deferred outflows of resources decreased \$16.7 million or 21.8%. This decrease is substantially attributed to:
  - A \$3.9 million decrease in deferred amount for pensions and \$6.3 million decrease in deferred amount for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2025 and the Authority's year-end of December 31, 2025.
  - A net decrease of \$6.5 million or 14% in unamortized deferral on bond refundings. The Authority has refunded certain variable rate bonds that were being hedged by interest rate swaps. The fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The \$6.5 million decrease is a result of the current year amortization of these deferrals.

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

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- Escrow deposits and unearned revenue increased by \$66 million or 22.3%. This is substantially attributed to:
  - A \$38.9 million increase to collateral held in the Housing Revenue Bond Fund, to be released upon the completion of the project construction period and subsequent securitization of the corresponding Fund assets.
  - An \$11.8 million increase in Build-for-CT funds on hand. The Authority received additional funding from the State during the year and is in the process of spending down those funds on program activities.
  - An increase in escrows pertaining to the multifamily housing portfolio, the majority of the increase pertains to capital contributions received from developers and escrows required to be funded at initial closings.
- Line of credit payable decreased by \$71.4 million or 32.0%. This change is largely due to the fact that the Bank of America line was paid down by \$75 million during 2025. All line of credit agreements are further described in Note 8 of the financial statements.
- Bonds payable increased by \$890.7 million or 13.3%. The increase is attributed to:
  - An increase of \$1.33 billion as a result of new bonds issued including original issue premium.
  - A decrease of \$430.0 million as a result of redemptions.
  - A decrease of \$10.3 million as a result of the amortization of bond premiums.

**Change 2024/2023**

- Cash and investments in securities increased \$698.6 million or 19.3% primarily resulting from:
  - A net increase of \$39.3 million in short-term investments (STIF and Money Market).
  - The majority of the single family loans purchased during the year were securitized into mortgaged-backed-securities resulting in an increase in Program Assets of \$986.5 million. Program Assets and other investments were reduced by maturities of \$264.9 million.
  - A \$62.2 million decrease attributable to the decrease in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements). There is an inverse relationship between the market value of MBS's and changes in interest rates.
- Accrued interest receivable on securities increased \$3.4 million or 25.9%. This increase is due to the increase in the Authority's investment portfolio, as the majority of single family loans purchased were securitized.
- Accounts receivable and other assets decreased \$7.4 million or 7.4%. This decrease is substantially attributed to:
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single-family loans that have been originated, however are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. Although single family loan production increased 23% year-over-year, the timing of the last security settlement of the year resulted in the majority of this reduction.
- Deferred outflows of resources decreased \$2.2 million or 2.8%. This decrease is substantially attributed to:
  - A \$5.2 million increase in deferred amount for pensions. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer

**CONNECTICUT HOUSING FINANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2025, and 2024 – (Continued)**

contributions and lastly, the employer contributions made between the measurement date of June 30, 2024 and the Authority's year-end of December 31, 2024.

- A net decrease of \$7.2 million or 13.3% in unamortized deferral on bond refundings. The Authority has refunded certain variable rate bonds that were being hedged by interest rate swaps. The fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The \$7.2 million decrease is a result of the current year amortization of these deferrals.
- Line of credit payable increased by \$100 million or 80.0%. During 2024, the Authority drew down on the Wells Fargo line of credit and remainder of US Bank's available line to meet liquidity needs. All line of credit agreements are further described in Note 8 of the financial statements.
- Bonds payable increased by \$631.4 million or 16.3%. The increase is attributed to:
  - An increase of \$1.112 billion as a result of new bonds issued including original issue premium.
  - An increase of \$60 thousand due to capital appreciation bond accretions.
  - A decrease of \$469.4 million as a result of redemptions.
  - A decrease of \$11.3 million due to the amortization of original issue premiums.
- Net OPEB liability increased by \$4.2 million or 8.0%. Net pension liability increased by \$6.2 million or 14.8%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).
- Deferred inflows of resources increased \$19.7 million or 8.9%. This includes:
  - A \$8.1 million decrease in deferred amount for OPEB and a \$4.3 million decrease in deferred amount for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A \$32.1 million increase in derivative financial instruments due to fluctuations in the fair market value of the Authority's interest rate swap contracts.

The home mortgage, rental housing and special needs housing loan and investment portfolios are one of the Authority's primary assets.

New loans financed under the Authority's home mortgage and special needs housing programs (including GNMA, FNMA & FHLMC Program Assets, excluding the acquired portfolio from the State) exceeded payoffs for the three years ended December 31, 2025, 2024 and 2023 as follows:

(in millions)				
New Loans				
Financed	Payoffs	Net		
2025	\$ 1,138.8	\$ 163.7	\$	975.1
2024	1,115.9	145.0		970.9
2023	847.0	142.8		704.2

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

The change in the multifamily rental housing and special needs housing portfolios (excluding the acquired portfolio from the State) is summarized as follows:

	(in millions)			% Change	
	2025	2024	2023	2025/2024	2024/2023
Construction loan balances	\$ 164.7	\$ 107.2	\$ 92.2	53.6 %	16.3 %
Permanent loan balances	1,423.9	1,338.9	1,253.5	6.3	6.8
Special needs housing permanent loan balances	57.6	57.6	60.5	0.0	(4.7)
<b>Total Multifamily Mortgage Loans</b>	<b>\$ 1,646.2</b>	<b>\$ 1,503.7</b>	<b>\$ 1,406.2</b>	<b>9.5 %</b>	<b>6.9 %</b>

As a result of legislation that was passed during calendar year 2002, on April 9, 2003 the Authority acquired housing assets from the Connecticut Department of Economic and Community Development from a reallocation of \$85 million of its available cash resources. The par value of this acquired portfolio at December 31, 2003 was \$213.3 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to \$65.0 million.

During calendar year 2016, further legislation was passed which resulted in the Authority acquiring multifamily housing assets from the Connecticut Department of Housing from a reallocation of \$15 million of the Authority's available cash resources. The par value of this acquired portfolio at December 31, 2016 was \$16.1 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to zero.

The status of these acquired portfolios combined, as of December 31, 2025, 2024 and 2023, is summarized as follows (in millions):

	December 31, 2025		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	\$ 0.3	\$ (0.3)	\$ 0.0
Multifamily mortgage loans	153.6	(135.0)	18.6
Total acquired portfolio	<u>\$ 153.9</u>	<u>\$ (135.3)</u>	<u>\$ 18.6</u>

Allowance for losses % to par value 87.9%

	December 31, 2024		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	\$ 0.3	\$ (0.3)	\$ 0.0
Multifamily mortgage loans	154.7	(135.6)	19.1
Total acquired portfolio	<u>\$ 155.0</u>	<u>\$ (135.9)</u>	<u>\$ 19.1</u>

Allowance for losses % to par value 87.6%

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

	December 31, 2023		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	\$ 0.6	\$ (0.5)	\$ 0.1
Multifamily mortgage loans	156.0	(136.5)	19.5
Total acquired portfolio	\$ 156.6	\$ (137.0)	\$ 19.6

Allowance for losses % to par value 87.5%

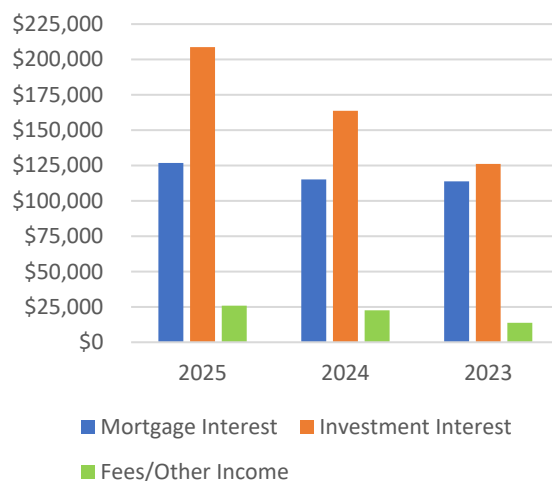
Mortgage loan earnings, including earnings on GNMA, FNMA and FHLMC Program Assets, which are included in "interest on investments," represent the Authority's major source of operating revenue. The Authority also charges various program fees that include but are not limited to application fees, commitment fees, extension fees and financing fees.

The following table summarizes the changes in operating income between December 31, 2025, 2024 and 2023.

	(in millions)			\$ Change	
	2025	2024	2023	2025/2024	2024/2023
Operating Revenues:					
Interest on mortgage loans	\$ 126.7	\$ 115.1	\$ 113.8	\$ 11.6	\$ 1.3
Interest on investments	208.8	163.7	126.2	45.1	37.5
Fees and other income	25.8	22.6	13.7	3.2	8.9
<b>Total operating revenues</b>	<b>361.3</b>	<b>301.4</b>	<b>253.7</b>	<b>59.9</b>	<b>47.7</b>
Operating Expenses:					
Interest	227.9	184.1	150.4	43.8	33.7
Bond issuance costs	10.3	10.1	5.5	0.2	4.6
Servicer fees	29.0	27.8	20.9	1.2	6.9
Administrative	40.3	38.4	38.7	1.9	(0.3)
Provision for loan loss reserve	8.1	4.5	19.9	3.6	(15.4)
<b>Total operating expenses</b>	<b>315.6</b>	<b>264.9</b>	<b>235.4</b>	<b>50.7</b>	<b>29.5</b>
Operating income	45.7	36.5	18.3	9.2	18.2
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	14.6	7.0	9.6	7.6	(2.6)
Net increase (decrease) in the fair value of investments	130.8	(62.2)	33.1	193.0	(95.3)
Other	1.4	10.5	1.4	(9.1)	9.1
<b>Total nonoperating income (loss)</b>	<b>146.8</b>	<b>(44.7)</b>	<b>44.1</b>	<b>191.5</b>	<b>(88.8)</b>
<b>Change in Net Position</b>	<b>\$ 192.5</b>	<b>\$ (8.2)</b>	<b>\$ 62.4</b>	<b>\$ 200.7</b>	<b>\$ (70.6)</b>

**CONNECTICUT HOUSING FINANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2025, and 2024 – (Continued)**

Operating Revenue (\$'000)



**Change 2025/2024**

- Net position increased \$192.5 million in 2025. Operating income was \$45.7 million, an increase of \$9.2 million from the prior year.
  - Operating revenues increased \$59.9 million or 19.9%. This increase is primarily due to an increase in interest earned from investments. This increase was driven by a 22.8% increase in the Authority's investment portfolio as the majority of single-family loans purchased during the year were securitized into mortgage-backed securities, coupled with an elevated short-term interest rate environment. In addition, there was an \$11.6 million increase in interest on mortgage loans, largely as a result of the increase in the multifamily loan portfolio.
  - Operating expenses increased \$50.7 million or 19.1%. This increase is substantially attributable to:
    - A \$43.8 million increase in interest costs. Outstanding bonds payable were \$896 million higher than prior year, contributing to the majority of the increase in interest costs.
    - A \$3.5 million increase in provision for loss reserves. The Authority reevaluated the adequacy of loss reserves for certain multifamily loans currently receiving federal subsidies due to recent changes at the federal level.
- Nonoperating gain was \$146.8 million in 2025 compared to a nonoperating loss of \$44.7 million in 2024, a year-over-year increase of \$191.5 million. The difference is substantially attributable to:
  - A \$7.6 million increase resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2025, there was a \$130.8 million increase in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value decrease of \$62.2 million during 2024, the result is a year-over-year increase of \$193.0 million. The change in market interest rates has an inverse relationship to the fair value of mortgage-backed securities. Interest rates at the end of 2025 were lower than at the end of 2024.
    - Grant funding exceeded grant expenditures by \$1.4 million during 2025, however grant funding exceeded grant expenditures by \$10.5 million in 2024, resulting in a year-over-year change of \$9.1

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2025, and 2024 – (Continued)**

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million. This change was substantially attributed to the \$9 million in additional DAP program funding received from the State during 2024. No DAP funds were received in 2025.

**Change 2024/2023**

- Net position decreased \$8.2 million in 2024. Operating income was \$36.5 million, an increase of \$18.2 million from the prior year.
  - Operating revenues increased \$47.7 million or 18.9%. This increase is primarily due to an increase in interest earned from investments. This increase was driven by a 19.3% increase in the Authority's investment portfolio as the majority of single family loans purchased during the year were securitized into mortgage-backed securities, coupled with an elevated short-term interest rate environment. In addition, there was an increase in fees and other income. The substantial increase in single family production during 2024 has resulted in an increase in fee income associated with the single family program.
- Operating expenses increased \$29.5 million or 12.5%. This increase is substantially attributable to:
  - A \$33.7 million increase in interest costs. Outstanding bonds payable were \$635 million higher than prior year, substantially contributing to the increase in interest costs.
  - A \$4.6 million increase in bond issuance costs. The debt issued during the year was approximately double that of the prior year due to the considerable increase in demand for homeownership financing.
  - A \$6.9 million increase in servicer fees. The Authority experienced a substantial increase in single family loan production during 2024 as borrowers took advantage of lower than market interest rates and its generous down payment assistance programs.
  - A \$15.4 million decrease in provision for loss reserves. A component of the loss reserve analysis is to conduct a loan specific review of projects' recent annual financial statements with a focus towards debt service coverage ratio (DSCR). Reserves are generally increased for projects that have a DSCR of less than 1.0. According to their 2023 audited financial statements, the number of new projects that fell into this category was substantially less than prior year, as the financial impact due to the lingering effects from the pandemic had diminished.
- Nonoperating loss was \$44.7 million in 2024 compared to \$44.1 million in nonoperating income in 2023, a year-over-year decrease of \$88.8 million. The difference is substantially attributable to:
  - A \$2.6 million decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2024, there was a \$62.2 million decrease in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value increase of \$33.1 million during 2023, the result is a year-over-year decrease of \$95.3 million. The change in market interest rates has an inverse relationship to the fair value of mortgage-backed securities. Interest rates at the end of 2024 were higher than at the end of 2023.
  - Grant funding exceeded grant expenditures by \$10.5 million during 2024, however grant funding only exceeded grant expenditures by \$1.4 million in 2023, resulting in a year-over-year change of \$9.1 million. This change was substantially attributed to:
    - The \$9 million in additional DAP program funding received from the State during 2024. No DAP funds were received in 2023.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2025, and 2024 – (Continued)**

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*Debt Administration*

The following table summarizes the changes in bonds payable between December 31, 2025, 2024 and 2023. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2025	2024	2023	2025/2024	2024/2023
Bonds payable	\$ 6,344.1	\$ 5,453.3	\$ 4,821.9	16.3%	13.1%

*Contacting the Authority's Financial Management*

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional information, contact the Finance Department of the Connecticut Housing Finance Authority at 999 West Street, Rocky Hill, CT 06067.

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF NET POSITION**  
(in 000's)

	December 31,	
	2025	2024
<b>Assets</b>		
Restricted current assets:		
Cash and cash equivalents	\$ 1,102	\$ 1,293
Mortgage loans receivable	203,178	158,057
Investments in securities	1,108,289	1,114,323
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	10,665	8,884
Securities	20,179	16,610
Accounts receivable and other assets	110,127	92,657
Total current assets	<u>1,455,840</u>	<u>1,394,124</u>
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,426,500	2,387,323
Investments in securities, net of current portion	4,187,349	3,199,654
Derivative instruments - interest rate swaps	48,906	57,536
Capital assets, net of depreciation	3,289	3,621
Real estate owned - single family	471	1,235
Total noncurrent assets	<u>6,666,515</u>	<u>5,649,369</u>
Total assets	<u>8,122,355</u>	<u>7,043,493</u>
<b>Deferred Outflows of Resources</b>		
Unamortized deferral on bond refundings	40,175	46,700
Deferred amount for OPEB	8,990	15,251
Deferred amount for pensions	10,795	14,718
Total deferred outflows of resources	<u>59,960</u>	<u>76,669</u>
<b>Liabilities</b>		
Current liabilities:		
Escrow deposits and unearned revenue	136,074	120,548
Accrued interest payable	32,102	25,379
Accounts payable and accrued liabilities	4,687	4,420
Compensated absences	2,275	2,167
Line of credit payable	153,594	224,999
Notes payable	438	118
Bonds payable	338,189	323,609
Total current liabilities	<u>667,359</u>	<u>701,240</u>
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	225,998	175,501
Compensated absences	1,291	931
Notes payable, net of current portion	13,806	3,858
Bonds payable, net of current portion	6,005,877	5,129,737
Net OPEB liability	39,462	56,303
Net pension liability	32,220	48,150
Total noncurrent liabilities	<u>6,318,654</u>	<u>5,414,480</u>
Total liabilities	<u>6,986,013</u>	<u>6,115,720</u>
<b>Deferred Inflows of Resources</b>		
Deferred amount for OPEB	28,165	24,856
Deferred amount for pensions	16,405	11,758
Derivative financial Instruments	194,693	203,322
Total deferred inflows of resources	<u>239,263</u>	<u>239,936</u>
<b>Net Position</b>		
Net investment in capital assets	3,289	3,621
Restricted by contractual agreements	72,910	78,995
Restricted by bond indentures and/or enabling legislation	880,840	681,890
<b>Total Net Position</b>	<u>\$ 957,039</u>	<u>\$ 764,506</u>

The accompanying notes are an integral part of the financial statements

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
(in 000's)

	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Revenues</b>		
Interest on mortgage loans	\$ 126,744	\$ 115,093
Interest on investments	208,753	163,723
Fees and other income	25,828	22,635
Total operating revenues	<u>361,325</u>	<u>301,451</u>
<b>Operating Expenses</b>		
Interest	227,929	184,114
Bond issuance costs	10,264	10,113
Servicer fees	29,003	27,809
Administrative	40,387	38,404
Provision for loan loss reserves	8,067	4,540
Total operating expenses	<u>315,650</u>	<u>264,980</u>
<b>Operating Income</b>	<u>45,675</u>	<u>36,471</u>
<b>Nonoperating Revenues (Expenses)</b>		
Actuarial assumption changes for pension and OPEB	14,630	7,001
Net increase (decrease) in the fair value of investments	130,838	(62,213)
Grant program funding	69,851	101,199
Grant program expenses	(68,461)	(90,699)
Nonoperating gain (loss)	<u>146,858</u>	<u>(44,712)</u>
<b>Change in Net Position</b>	192,533	(8,241)
<b>Net Position - Beginning of Year</b>	<u>764,506</u>	<u>772,747</u>
<b>Net Position - End of Year</b>	<u>\$ 957,039</u>	<u>\$ 764,506</u>

The accompanying notes are an integral part of the financial statements

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
(in 000's)

	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from interest on mortgage loans	\$ 124,962	\$ 115,803
Cash received from scheduled mortgage principal payments	80,173	80,297
Cash received from mortgage principal prepayments	134,845	88,949
Cash received from fees and other income	25,571	22,465
Cash payments to purchase mortgage loans	(309,518)	(212,890)
Cash payments to employees	(25,329)	(24,740)
Cash payments to suppliers	(43,024)	(41,003)
Net cash (used in)/provided by operating activities	<u>(12,320)</u>	<u>28,881</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from/(release of) escrow deposits	66,023	(2,787)
Retirement of bonds payable	(430,002)	(469,443)
Proceeds from sales of bonds	1,330,874	1,112,225
Proceeds from notes payable	10,267	3,976
(Reductions to)/proceeds from line of credit	(71,406)	99,999
Interest paid	(224,862)	(182,549)
Bond issuance costs	(10,319)	(10,080)
Proceeds from grant program funding	69,851	101,199
Grant program costs	(68,444)	(90,674)
Net cash provided by noncapital financing activities	<u>671,982</u>	<u>561,866</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of and maturities of investment securities	239,812	264,868
Purchase of investment securities	(1,089,689)	(1,025,851)
(Increase) decrease of warehoused loans awaiting securitization	(17,471)	7,383
Sales of real estate owned	755	418
Interest received from investments	206,740	162,997
Net cash used in investing activities	<u>(659,853)</u>	<u>(590,185)</u>
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	(191)	562
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,293</u>	<u>731</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,102</u>	<u>\$ 1,293</u>
<b>Reconciliation of Operating Income to Net Cash (Used in)/Provided by Operating Activities</b>		
Operating income	\$ 45,675	\$ 36,471
Adjustments to reconcile operating income to net cash (used in)/provided by operating activities:		
Depreciation	332	540
Provision for loan loss reserves	8,067	4,540
Bond issuance costs	10,264	10,113
Interest on investments	(208,753)	(163,723)
Interest expense	227,929	184,114
Change in assets and liabilities:		
(Increase) decrease in accrued interest receivable on mortgage loans	(1,781)	710
(Increase) decrease in accounts receivable and other assets	(17,471)	7,383
Increase in accounts payable and other accrued liabilities and compensated absences	736	99
Increase in mortgage loan and other receivables, net	(77,318)	(51,366)
<b>Net Cash (Used in)/Provided by Operating Activities</b>	<u>\$ (12,320)</u>	<u>\$ 28,881</u>
<b>Noncash Investing Activities</b>		
Net increase (decrease) in the fair value of investments	<u>\$ 130,838</u>	<u>\$ (62,213)</u>

The accompanying notes are an integral part of the financial statements

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - AUTHORIZING LEGISLATION**

Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State of Connecticut. It was created in 1969 for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate-income families and persons throughout Connecticut. The Authority operates pursuant to Chapter 134 of the Connecticut General Statutes, as amended (the "Act"). As required by the Act, the Authority's powers are exercised by a Board of Directors consisting of fifteen members, four of whom are State officials, seven of whom are appointed by the Governor and four of whom are appointed by leaders of the General Assembly.

The Authority is authorized to issue bonds, notes and other obligations to fund loans to qualified borrowers for single family homes and multifamily developments. Funding of loan programs on an on-going basis is derived principally from bond proceeds and interest earned on loans and investments.

The Authority is a component unit of the State of Connecticut, based on the criteria for defining the reporting entity as identified and described in the Government Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Authority is a self-supported entity and the accompanying financial statements are presented using the economic resources measurement focus and accrual basis of accounting wherein revenues are recognized when earned, and expenses are recognized when the liability is incurred. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). While detail sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. The funds of the Authority and similar component units are proprietary fund types.

**Reporting Entity**

*Connecticut Housing Finance Authority Funds*

Under the Act and the General Housing Mortgage Finance Program Bond Resolution of September 27, 1972 (the "Bond Resolution"), the Authority is authorized to maintain Housing Mortgage General and Capital Reserve Funds. In addition to the aforementioned funds, the Authority, as permitted by the Act, has established other funds. Included in other funds are the Investment Trust Fund, which may be used to account for assets which are determined to be "surplus funds" under the terms of the Bond Resolution, and the Housing Mortgage Insurance Fund, which provides mortgage insurance.

## CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS

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Also included in other funds are:

- a. the Special Needs Housing Fund, the Special Needs Housing Capital Reserve Fund, the State Assistance Agreement Fund, and, as to the Authority's Emergency Mortgage Assistance Payment (EMAP) Program: the EMAP State Assistance Agreement Fund and the EMAP Revolving Loan Fund (collectively, the "Special Needs Housing Program Funds"), the Group Home Renewal and Replacement Fund, the Assisted Living Facilities Renewal and Replacement Fund and the Supportive Housing Renewal and Replacement Fund (collectively the "Special Needs Housing Renewal and Replacement Funds"). The Authority is authorized to maintain the Special Needs Housing Program Funds and the Special Needs Housing Renewal and Replacement Funds (collectively the "Special Needs Housing Funds") under the Act and the Special Needs Housing Mortgage Finance Program Indenture (formerly known as the Group Home Mortgage Finance Program Indenture of Trust) (the "Special Needs Indenture"),
- b. the Multifamily Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Multifamily Bond Resolution Providing for the Issuance of Multifamily Mortgage Revenue Bonds (the "MFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Multifamily) (the "Multifamily Other Bond Resolution") of October 27, 2011, and
- c. the Qualified Energy Conservation Bond Fund which the Authority is authorized to maintain under the Act, the Qualified Energy Conservation Bond Resolution providing for the Issuance of Qualified Energy Conservation Revenue Bonds (the "QECB Resolution") of February 26, 2015.
- d. the Housing Revenue Bond Fund which the Authority is authorized to maintain under the Act, the Housing Revenue Bond General Trust Indenture (the "HRB Resolution") of September 1, 2023, which was created to allow the Authority to structure the issuance of debt based on market demand and collateral. Bonds issued under this resolution rely on federal insurance or guaranty for security and will not be carried under the Authority's general obligation.

### Blended Component Units

The Authority's operations include blended component units which are included in the Authority's basic financial statements in accordance with GASB Statement No. 61. These are legally separate entities for which the Authority is considered financially accountable. The Authority is financially accountable for those units that make up its legal entity, as well as certain legally separate organizations because they have essentially the same board of directors and management personnel. Blended component units are, in substance, part of the Authority's operations; therefore, data from these units are combined with data of the primary Authority. Interfund activity has been eliminated. Additional information relating to these blended component units can be found in the supplementary information section of this report.

### State Housing Authority

The State Housing Authority (the "Corporation") is a quasi-public agency of the State of Connecticut and a subsidiary of the Authority. It was created as the successor to the Connecticut Housing Authority ("CHA") under Public Act No. 95-250, which transferred \$1,282,000 to establish the Corporation. The Corporation operates pursuant to Chapter 129 of the Connecticut General Statutes, as amended (the "CHA Act"). This entity is currently inactive.

### Cash and Cash Equivalents

Cash is comprised of accounts on deposit with financial institutions. For purposes of reporting cash flows, highly liquid instruments with an original maturity of less than 90 days are generally considered to be cash equivalents, exclusive of the State of Connecticut Short Term Investment Fund and overnight sweeps which are considered to be investments in securities.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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**Mortgage Loans Receivable**

Mortgage loans are carried at their principal balance net of allowance for losses and are generally secured by first liens on real property. Interest on loans is accrued and credited to operations based on the principal amount outstanding. The accrual of interest income is discontinued when a loan becomes 90 days past due or in management's opinion is deemed uncollectible as to principal or interest. When interest accruals are discontinued, unpaid interest previously recorded as income is reversed and subsequently recognized only when received.

**Investments in Securities**

The Authority is limited under the Act to (i) investment obligations issued or guaranteed by the United States Government or the State of Connecticut, (ii) participation certificates for the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool administered by the State Treasurer, and (iii) other obligations which are legal investments for savings banks in Connecticut and to time deposits or certificates of deposit or other similar arrangements secured in such a manner as the Authority determines.

Investments are carried at net asset value or at fair value with the exception of those investments maturing within one year, which are carried at amortized cost, excluding accrued interest.

**Real Estate Owned - Multifamily**

CHFA - Small Properties, Inc., was established as a tax-exempt organization and subsidiary of the Authority. This organization operates pursuant to Section 8-244(c)(1) of the Connecticut General Statutes and was created to provide distinct accountability for multifamily real estate awaiting sale. As of December 31, 2025, total assets, total liabilities, and net position were \$4,650,190, \$2,470,050 and \$2,180,140, respectively.

**Real Estate Owned – Single Family**

Real estate acquired in satisfaction of a loan are reported separately in real estate owned. Properties acquired by foreclosure or deed in lieu of foreclosure are transferred to real estate owned and recorded at the lower of cost or fair value less estimated selling costs at the date of foreclosure and are adjusted, if necessary, at year end. An allowance for losses on real estate owned is maintained for subsequent valuation adjustments on a specific property basis.

**Capital Assets**

Land, building, building improvements and computer software exceeding \$100,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using the straight-line method over the estimated useful life; 32 years for building and building improvements and 7 to 10 years for computer software.

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows related to pension and OPEB in the statement of net position which result from differences between expected and actual experience, changes in assumptions,

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

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net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions and lastly, contributions made after the measurement date. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as pension expense in the following year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, defines derivative instruments and requires that they be reported at fair value in the statements of net position. The swap agreements the Authority has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the statements of net position as either deferred inflows or outflows for swaps classified as effective hedges. As of December 31, 2025 and 2024 the Authority's swaps were considered effective hedges.

Gains and losses in connection with advanced refundings of debt are recorded as either a deferred outflow or deferred inflow of resources and are amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt.

**Compensated Absences**

Full-time employees accrue vacation or annual leave at the rate of fifteen to twenty-five days per year, depending on length of service. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination or death may be compensated for certain accumulated amounts at their then current rates of pay.

**Net OPEB Liability**

The Authority's proportionate share of the net OPEB liability and expense associated with the Authority's requirement to contribute to the State of Connecticut Other Post-Employment Benefits Program have been determined by an actuarial valuation prepared and reported by the State of Connecticut's Other Post-Employment Benefits Program. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net OPEB liability is June 30<sup>th</sup> of the current reporting year.

**Net Pension Liability**

Net pension liability is measured as the portion of the actuarial present value of projected pension benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for the purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net pension liability is June 30<sup>th</sup> of the current reporting year.

**Derivative Financial Instruments**

The Authority's derivative financial instruments consist of interest rate swaps, all of which have been determined by the Authority to represent effective cash flow hedges. Accordingly, changes in the fair value of the swaps are reported as either deferred outflows or inflows of resources on the statement of net position.

## **CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS**

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The interest differentials to be paid or received under interest rate swaps are recognized as increases or decreases in interest expense of the related bond liability. The fair value of the Authority's position at year end in swap agreements is disclosed in Note 8. No gains or losses will result under the agreements unless an agreement is terminated prior to maturity or the counterparty defaults.

### **Net Position**

Net position is classified in the following three categories:

#### **Net Investment in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation. There is no outstanding debt related to the Authority's capital assets.

#### **Restricted by Contractual Agreements**

This component of net position represents assets pledged as collateral for certain debt instruments further described in Note 12.

#### **Restricted by Bond Indentures and/or Enabling Legislation**

All funds and component units of the Authority that are not related to capital assets or are restricted by contractual agreements are restricted by the Bond Resolution, Special Needs Indenture, MFSOB Resolution, QECB Resolution, Housing Revenue Bond Indenture and Multifamily Other Bond Resolution and/or the Act.

### **Bond Premiums and Discounts**

Discount and premium on bonds issued are deferred and amortized as a component of interest expense using a method approximating the effective interest method.

### **Bond Issuance Costs**

Bond issuance costs are expensed when incurred and are classified as an operating expense in the statements of revenues, expenses and changes in net position.

#### **Provision for Loan Loss Reserves**

The allowance for losses on the loan and real estate owned portfolios is provided through charges against current operations based on management's periodic review of the loan and real estate owned portfolios. This review considers such factors as the payment history of the loans, the current and projected cash flows of the borrowers, estimated value of the collateral, subsidies, historical loss experience for each type of insurance or guarantee and economic conditions.

### **Operating and Nonoperating Revenues and Expenses**

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist primarily of interest income on mortgage loans, fees and other charges related to mortgage loans and interest on investments, including fees and interest on GNMA, FNMA & FHLMC Program Asset investments more fully described in Note 4. The Authority also recognizes revenues from other administrative fees as operating revenues. Operating expenses include interest expense, general and administrative expenses, costs and expenses incurred in connection with the amortization, issuance and sale of bonds; and other costs related to various loan programs. Revenues or expenses not meeting this definition are generally reported as nonoperating revenues and expenses.

## CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS

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### **Actuarial Assumption Changes for Pension and OPEB**

Non-cash changes to pension and OPEB expenses that result from changes in actuarial assumptions are recorded as nonoperating income or expenses.

### **Grants (Private, State and Federal Grant Programs)**

Grants received from private entities and federal and state governments are recognized as nonoperating revenue as the related expenditures are incurred in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

### **Accounting Pronouncements**

#### ***Recently Adopted Accounting Pronouncements***

Effective January 1, 2025, the Authority adopted GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

#### ***Upcoming Accounting Pronouncements***

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. Governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. Additionally, this Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The requirements related to GASB 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued Statement No.104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets, such as Lease assets, Right to use assets, Subscriptions assets and Intangible

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

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assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements related to GASB 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In December 2025, the Governmental Accounting Standards Board (GASB) issued Statement No. 105, *Subsequent Events*, which provides updated guidance for identifying, evaluating, recognizing, and disclosing subsequent events. GASB 105 replaces and supersedes the previous guidance incorporated from GASB Statement No. 56. The Statement clarifies that governments must evaluate subsequent events through the date the financial statements are “available to be issued,” defined as the point when the financial statements are complete in a GAAP-compliant form and all approvals necessary for issuance have been obtained. This Statement requires governments to distinguish between recognized subsequent events, which provide evidence of conditions existing as of the financial statement date and must be reflected in the financial statements, and non-recognized subsequent events, which relate to conditions arising after the financial statement date. Significant non-recognized subsequent events must be disclosed, including a description of the event, its financial effect, or a statement that such an estimate cannot be made. The requirements related to GASB 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

**NOTE 3 - FAIR VALUE**

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (“exit price”). The fair value hierarchy established by generally accepted accounting principles prioritizes the inputs to valuation techniques used to measure fair value as follows:

**Level 1**

Quoted prices in active markets for identical assets or liabilities at the measurement date.

**Level 2**

Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3**

Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable.

The Authority has the following investment and derivative instruments measured at fair value which are included in the statements of net position as of December 31, 2025, and December 31, 2024. It should be noted that the STIF investment is not included in these schedules since it is valued at net asset value.

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

**Investments and Derivative Instruments Measured at Fair Value**  
(in 000's)  
December 31, 2025

	<u>Fair Value</u> <u>12/31/25</u>	<u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Investments measured at fair value:				
CMO's	\$ 394	\$	\$ 394	\$
GNMA, FNMA & FHLMC Program Assets	4,123,273		4,123,273	
MBS's	25,657		25,657	
Money Market Funds	8,695	8,695		
US Treasury Notes	38,975	38,975		
Structured Securities	212		212	
US Government Agency Securities	686	686		
<b>Total</b>	<u>\$ 4,197,892</u>	<u>\$ 48,356</u>	<u>\$ 4,149,536</u>	<u>\$</u>
Derivative Instruments measured at fair value:				
Interest rate swaps	<u>\$ 48,906</u>	<u>\$</u>	<u>\$ 48,906</u>	<u>\$</u>

**Investments and Derivative Instruments Measured at Fair Value**  
(in 000's)  
December 31, 2024

	<u>Fair Value</u> <u>12/31/24</u>	<u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Investments measured at fair value:				
CMO's	\$ 504	\$	\$ 504	\$
GNMA, FNMA & FHLMC Program Assets	3,173,712		3,173,712	
MBS's	50		50	
Money Market Funds	8,645	8,645		
Municipal Bonds	29,272		29,272	
Structured Securities	385		385	
US Government Agency Securities	677	677		
<b>Total</b>	<u>\$ 3,213,245</u>	<u>\$ 9,322</u>	<u>\$ 3,203,923</u>	<u>\$</u>
Derivative Instruments measured at fair value:				
Interest rate swaps	<u>\$ 57,536</u>	<u>\$</u>	<u>\$ 57,536</u>	<u>\$</u>

**NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES**

**Deposits (in 000's)**

At December 31, 2025, and 2024, the carrying amount reported as cash and cash equivalents on the statements of net position of the Authority represents deposits (including checking accounts and escrow accounts) of \$1,102 and \$1,293, respectively. This entire amount is on deposit in independent financial institutions with a balance of \$1,924 and \$2,405 at December 31, 2025, and 2024, respectively. Included in the carrying amount reported as cash and cash equivalents, are deposits held in escrow by the Authority at December 31, 2025, and 2024, of \$862 and \$1,052, respectively.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**Custodial Credit Risk (in 000's)**

Of the \$1,924 and \$2,405 financial institution balance at December 31, 2025, and 2024, \$241 and \$242, respectively, were held in the Authority's name in the corporate trust division of one financial institution. These amounts were collateralized with a market value of underlying collateral equal to at least 100% of the amount on deposit with acceptable collateral compliant with 12 CFR § 9.10(b). In addition, in compliance with 12 CFR § 9.13 these amounts were protected from any potential creditors of the financial institution. The balances of \$1,924 and \$2,405, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2025, \$1,433 was uninsured, \$168 of which was collateralized with securities by the financial institution, but not in the Authority's name. As of December 31, 2024, \$1,914 was uninsured, \$216 of which was collateralized with securities by the financial institution, but not in the Authority's name.

**Investments in Securities (in 000's)**

At December 31, 2025, and 2024, the Authority held the following investments with the listed maturities bearing interest at annual rates ranging from 0% to 7.65%. All Authority investments are direct obligations issued by the United States Government or its agencies or are fully collateralized by such obligations. Ratings are displayed with the S&P Global Ratings listed first (if available), the Moody's Investors Service second (if available) and the Fitch Rating last (if available) or NR for not-rated.

As of December 31, 2025:

	<b>Investment Maturities (in Years)</b>				
	<b>Amortized Cost, Net Asset Value or Fair Value</b>	<b>Less Than 1</b>	<b>1 - 5</b>	<b>6 -10</b>	<b>More Than 10</b>
CMO	\$ 394	\$	\$	\$	\$ 394
GNMA, FNMA & FHLMC Program Assets	4,123,273	4	2,746	33,996	4,086,527
MBS's	25,657		34		25,623
Money Market Funds	8,695	8,695			
U.S. Treasury Notes	38,975	1,844	37,131		
STIF	1,097,746	1,097,746			
Structured Securities	212		212		
U.S. Government Agency Securities	686		686		
<b>Total Investments Held by All Funds and Component Units</b>	<b>\$ 5,295,638</b>	<b>\$ 1,108,289</b>	<b>\$ 40,809</b>	<b>\$ 33,996</b>	<b>\$ 4,112,544</b>
Restricted current assets:					
Capital Reserve Funds	\$ 59,435				
Renewal and Replacement Funds	15,601				
All other funds and component units	1,033,253				
Total restricted current assets	<u>1,108,289</u>				
Restricted noncurrent assets:					
Capital Reserve Funds	484,585				
All other funds and component units	3,702,764				
Total restricted noncurrent assets	<u>4,187,349</u>				
<b>Total Investments Held by All Funds and Component Units</b>	<b>\$ 5,295,638</b>				

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

Presented below is the rating for each investment type as of December 31, 2025:

Ratings *	CMO	Program Assets	MBS's	Money Market	U.S. Treasury Notes	STIF	Structured Securities	U.S. Government Agency Securities
AAAm/NR/NR	\$	\$	\$	\$	\$	\$ 1,097,746	\$	
AA+/Aa1/AA+		4,123,273	25,657		38,975			686
AA-/Aa3/AA-								
NR/Aaa/NR	394			7,331			211	
NR/C/NR							1	
NR/NR/NR				1,364				
Total	\$ 394	\$ 4,123,273	\$ 25,657	\$ 8,695	\$ 38,975	\$ 1,097,746	\$ 212	\$ 686

\* S&P/Moodys/Fitch

Presented below is the rating for each investment type as of December 31, 2024:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities
AAAm/NR/NR	\$	\$	\$	\$	\$	\$ 1,100,732	\$	
AA+/Aaa/AA+		3,173,712	50					677
AA-/Aa3/AA-					4,590			
NR/Aaa/NR	499			7,372				
NR/C/NR							385	
NR/NR/NR	6			1,273	24,682			
Total	\$ 504	\$ 3,173,712	\$ 50	\$ 8,645	\$ 29,272	\$ 1,100,732	\$ 385	\$ 677

\* S&P/Moodys/Fitch

**Interest Rate Risk**

Exposure to declines in fair value is substantially limited to the Authority’s investment in the GNMA, FNMA and FHLMC Program Assets and U.S. Treasury Notes. The Authority’s investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flow requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

**Credit Risk (in 000’s)**

The Authority’s investments are limited under the Act to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the investment pool administered by the State Treasurer or (iv) other obligations which are legal investments for savings banks in the State of Connecticut. The Money Market Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities (“MBSs”) are fully collateralized by the Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMC”) or the Government National Mortgage Association (“GNMA”), and Collateralized Mortgage Obligations (“CMOs”) are fully collateralized by the United States Department of Housing and Urban Development (“HUD”) mortgage pools. Structured Securities are fully collateralized by Manufactured Housing Sales Contracts and Installment Loan Agreements. At December 31, 2025, two Structured Securities (fair value \$212) were below Investment Grade rating standards. At December 31, 2024, one CMO (fair value \$6) and one Structured Security (fair value \$385) were below Investment Grade rating standards. At the time of their initial purchase, these two investments were classified as Investment Grade.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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**Concentration of Credit Risk (in 000's)**

The Authority's investment policy requires diversification of its investment portfolio to reduce the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2025 and 2024, the Authority had no investments in any one issuer that represents 5% or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA and FHLMC Program Assets - fair value - \$4,123,273 or 78% in 2025 and \$3,173,712 or 74% in 2024 or the State of Connecticut (STIF – net asset value - \$1,097,746 or 26% in 2025 and \$1,100,732 or 26% in 2024).

**Custodial Credit Risk (in 000's)**

All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (fair value - \$4,197,892 in 2025 and \$3,213,245 in 2024) with the exception of the STIF (net asset value - \$1,097,746 in 2025 and \$1,100,732 in 2024). The underlying value of the investment in the STIF's pool is the same as the value of the pool's shares. The pool is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office. The State Treasurer set up a cash management advisory board tasked with reviewing the pool's portfolio, performance investment policies and procedures.

**GNMA, FNMA & FHLMC Program Assets (in 000's)**

Since 1999, the Authority directed certain of its participating lenders to assign government insured Authority qualified home mortgage loans and sold a portion of its existing home mortgage loan portfolio for assembly into pools guaranteed by the Government National Mortgage Association ("GNMA"). GNMA securities were issued backed by these home mortgage loans, and the Authority purchased the securities ("GNMA Program Assets") with funds held in the Housing Mortgage Capital Reserve Fund. In 2000, the Authority expanded this program to allow the purchase of GNMA Program Assets with funds held in the Housing Mortgage General Fund. As a result of this program expansion and in order to assure compliance with Bond Resolution requirements, the Authority transferred the \$331,081 net position held in the Investment Trust Fund to the Housing Mortgage General Fund in 2001. Since 2001, GNMA Program Assets have also been purchased with funds held in the Special Needs Housing Fund and the Special Needs Housing Capital Reserve Fund. In 2013, the Authority directed certain of its participating lenders to assign privately insured Authority qualified conventional home mortgage loans for assembly into pools guaranteed by the Federal National Mortgage Association ("FNMA").

These pools were securitized and are backed by these home mortgage loans. In 2016, the Authority further expanded the program to securitize pools of home mortgage loans guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, FNMA & FHLMC Program Assets are carried at fair value. As of December 31, 2025 and 2024, the fair value of GNMA, FNMA & FHLMC Program Asset investments was \$4,123,273 and \$3,173,712, respectively.

**Bond Resolution Capital Reserve Fund (in 000's)**

The Bond Resolution Capital Reserve Fund is established pursuant to the Act and the Bond Resolution and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year (\$452,273 at December 31, 2025 and \$387,387 at December 31, 2024) on all bonds of the Authority then outstanding under the Bond Resolution. Further, the Authority may not issue additional bonds under the Bond Resolution unless the amount in the Bond Resolution Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year (\$471,933 at December 31, 2025 and \$399,461 at December 31, 2024) on all bonds of the Authority then outstanding under the Bond Resolution. For purposes of satisfying these

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

requirements, the Act and the Bond Resolution require that investments of the Bond Resolution Capital Reserve Fund be valued at the lowest of par, actual cost or market value. To satisfy this calculation, all variable rate interest payments and receipts are assumed to be based on the average interest rates for the prior twelve months plus 200 basis points, interest payments on swapped bonds are included at the fixed rate on the swaps, and retirement of principal on bonds with mandatory tender dates are assumed in accordance with the sinking fund schedule of each respective bond series resolution.

**Special Needs Indenture Capital Reserve Fund (in 000's)**

The Special Needs Indenture Capital Reserve Fund is established pursuant to the Act and the Special Needs Indenture and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year (\$5,058 at December 31, 2025 and \$5,079 at December 31, 2024) on all bonds of the Authority then outstanding under the Special Needs Indenture. Further, the Authority may not issue additional bonds under the Special Needs Indenture unless the amount in the Special Needs Indenture Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year (\$5,058 at December 31, 2025 and \$5,136 at December 31, 2024) on all bonds of the Authority then outstanding under the Special Needs Indenture. For purposes of satisfying these requirements, the Act and the Special Needs Indenture require that investments of the Special Needs Indenture Capital Reserve Fund be valued at amortized cost or such other method as determined by the Authority to be reasonable and in the best interest of the bondholders, provided such other method is approved by the trustee and any applicable bond insurer.

Restricted funds of the Bond Resolution and Special Needs Indenture Capital Reserve Funds consisted of the following (in 000's):

	December 31,					
	2025			2024		
	Bond Resolution	Special Needs Indenture	Total	Bond Resolution	Special Needs Indenture	Total
Investment in securities	\$ 538,804	\$ 5,216	\$ 544,020	\$ 447,643	\$ 5,205	\$ 452,848
Accrued interest receivable	1,989	20	2,009	1,584	23	1,607
<b>Total Capital Reserve Funds</b>	<b>\$ 540,793</b>	<b>\$ 5,236</b>	<b>\$ 546,029</b>	<b>\$ 449,227</b>	<b>\$ 5,228</b>	<b>\$ 454,455</b>
Restricted current assets:						
Investments in securities	\$ 54,878	\$ 4,557	\$ 59,435	\$ 28,860	\$ 4,518	\$ 33,378
Accrued interest receivable	1,989	20	2,009	1,584	23	1,607
Total restricted current assets	56,867	4,577	61,444	30,444	4,541	34,985
Restricted noncurrent assets:						
Investments in securities	483,926	659	484,585	418,783	687	419,470
<b>Total Capital Reserve Funds</b>	<b>\$ 540,793</b>	<b>\$ 5,236</b>	<b>\$ 546,029</b>	<b>\$ 449,227</b>	<b>\$ 5,228</b>	<b>\$ 454,455</b>

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**NOTES TO FINANCIAL STATEMENTS**

**Special Needs Housing Renewal and Replacement Funds**

The Special Needs Housing Renewal and Replacement Funds are established pursuant to the Act and the Special Needs Indenture to provide funding for capital repairs and replacements exceeding \$2,500 for group homes, assisted living facilities and supportive housing facilities financed with the proceeds of bonds issued under the Special Needs Indenture. At December 31, 2025 and 2024, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	<u>2025</u>	<u>2024</u>
Investments in securities	\$ 15,601	\$ 14,783
Accrued interest receivable	<u>51</u>	<u>58</u>
<b>Total Special Needs Housing Renewal and Replacement Funds</b>	<b>\$ <u>15,652</u></b>	<b>\$ <u>14,841</u></b>

**NOTE 5 - MORTGAGE LOANS RECEIVABLE**

The Authority makes single family and multifamily loans to residents and properties domiciled in the State of Connecticut. All such loans are collateralized by real estate located in the State of Connecticut. The majority of the Authority's loan portfolio is comprised of residential mortgages made to low and moderate income borrowers.

The Authority has entered into agreements with various banks and other financial institutions for the servicing of the majority of its home mortgage loan portfolio. As of December 31, 2025 and 2024, 47% of this portfolio were serviced by two financial institutions.

Mortgage loans consisted of the following (in 000's):

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
<b>Home mortgage loans</b>		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	\$ 741,188	\$ 776,801
Insured by private mortgage insurance companies	121,667	129,793
Uninsured reverse annuity mortgage loans	1,055	1,154
Uninsured, State of Connecticut supported EMAP loans	42,616	45,850
Uninsured, State of Connecticut supported TTO loans	198,789	151,726
Uninsured, not guaranteed	<u>289,144</u>	<u>298,750</u>
<b>Total home mortgage loans</b>	<b><u>1,394,460</u></b>	<b><u>1,404,074</u></b>

**CONNECTICUT HOUSING FINANCE AUTHORITY  
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**Multifamily mortgage loans**

Completed developments:

Insured by the Federal Housing Administration or guaranteed by private insurer	23,404	24,074
Uninsured, federally subsidized	308,635	314,949
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	57,633	57,501
Uninsured, unsubsidized, not guaranteed	1,245,366	1,154,613
<b>Total completed developments</b>	<u>1,635,038</u>	<u>1,551,137</u>

Construction mortgage loans:

Uninsured, unsubsidized	164,700	107,228
<b>Total construction mortgage loans</b>	<u>164,700</u>	<u>107,228</u>
<b>Total multifamily mortgage loans</b>	<u>1,799,738</u>	<u>1,658,365</u>
<b>Total home and multifamily mortgage loans</b>	<u>3,194,198</u>	<u>3,062,438</u>

Less allowance for losses

	(564,520)	(517,059)
<b>Total investments in mortgage loans</b>	<u>\$ 2,629,678</u>	<u>\$ 2,545,380</u>

Restricted current assets	\$ 203,178	\$ 158,057
Restricted noncurrent assets	2,426,500	2,387,323
<b>Total mortgage loans receivable</b>	<u>\$ 2,629,678</u>	<u>\$ 2,545,380</u>

Single Family

The Federal Housing Administration (“FHA”) home mortgage program insures the repayment of the unpaid principal amount of the mortgages. HUD will pay debenture interest on the unpaid principal balance from the date of default to the date of initial claim settlement. Debenture interest is determined by the monthly average yield for the month in which the default on the mortgage occurred, on United States Treasury Securities, adjusted to a constant maturity of 10 years. The debenture rate may be less than that of the insured mortgage.

The Veterans Administration (“VA”) mortgage program provides limited guarantees subject to the amount of the entitlement a veteran has available. For loans between \$45,000 and \$144,000, the minimum VA guarantee amount is \$22,500, with a maximum guarantee of up to 40% of the loan up to \$36,000. For loans of more than \$144,000, the maximum VA guarantee is 25% of the loan amount.

EMAP Loan repayments are made by the homeowner in accordance with the provisions of Connecticut General Statutes § 8-265bb through 8-265kk. These repayments are to be used solely for the benefit of the EMAP program. Debt service on bonds issued under the Special Needs Indenture for the purpose of financing EMAP Loans is paid by the State of Connecticut.

The current average interest rate of the Authority’s outstanding single-family portfolio is 4.10% with an original 30 year payment term.

Multifamily

Through the issuance of bonds under the Special Needs Indenture and/or amounts received from the State of Connecticut, the Authority has made special needs housing mortgage loans to (i) finance community based residential facilities for persons with intellectual disabilities (“Group Home”), (ii) finance projects for assisted living communities for residents who need help with one or more activities of daily living (“Assisted Living Facility”), (iii) finance residential facility housing for up to one or more persons or families that are homeless or at risk of homelessness (“Supportive Housing Facility”) and (iv) provide financial assistance to homeowners at risk of foreclosure (“EMAP Loan”). Mortgage loan repayments for the Group Home, Assisted Living Facility and Supportive Housing Facility (collectively the “Special Needs Housing Loans”) which require regularly scheduled payments are made through subsidies received from

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

the State of Connecticut. For Special Needs Housing Loans that do not require regularly scheduled payments, the debt service on the bonds is paid by the State of Connecticut.

The Authority has entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development (“HUD”) whereby HUD will provide partial mortgage insurance on affordable multifamily housing projects processed by the Authority. The risk of loss to the Authority varies from 10% to 50% or more depending on the level of participation by HUD.

Construction loans earn interest at rates ranging from 0% to 7.32% as of December 31, 2025 and 0% to 7.32% as of December 31, 2024, and will generally be payable over 2 years. The related permanent mortgage loan will typically be provided by the Authority. Permanent loans earn interest at rates ranging from 0% to 10.5% at December 31, 2025 and December 31, 2024, and will generally be payable over 40 years.

**NOTE 6 - REAL ESTATE OWNED**

**Real Estate Owned (in 000’s)**

	December 31,					
	2025			2024		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	\$ 497	\$ 2,300	\$ 2,797	\$ 1,252	\$ 2,300	\$ 3,552
Allowance for losses	(26)		(26)	(17)		(17)
Real Estate Owned- Carrying Amount	<u>\$ 471</u>	<u>\$ 2,300</u>	<u>\$ 2,771</u>	<u>\$ 1,235</u>	<u>\$ 2,300</u>	<u>\$ 3,535</u>

With respect to single family real estate owned, the majority of such assets are at least partially insured or guaranteed by outside parties. It is anticipated that the Authority will recover substantially all of the balance of these assets through such insurance and from proceeds from the sale of the underlying properties.

With respect to multifamily real estate owned, the Authority is holding such assets for subsequent sale in a manner that will allow the maximization of value. As of December 31, 2025, and 2024, one property remained in the multifamily real estate owned portfolio.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**Note 7 - Capital Assets**

Capital asset activity for the years ended December 31, 2025 and 2024 is as follows (in 000's):

	<b>Balance January 1, 2025</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2025</b>
Capital Assets:				
Land	\$ 851	\$	\$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	4,261			4,261
	<u>10,048</u>			<u>10,048</u>
Less accumulated depreciation	<u>(6,427)</u>	<u>(332)</u>		<u>(6,759)</u>
Capital Assets, Net	<u>\$ 3,621</u>	<u>\$ (332)</u>	<u>\$</u>	<u>3,289</u>
	<b>Balance January 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2024</b>
Capital Assets:				
Land	\$ 851	\$	\$	851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	4,261			4,261
	<u>10,048</u>			<u>10,048</u>
Less accumulated depreciation	<u>(5,887)</u>	<u>(540)</u>		<u>(6,427)</u>
Capital Assets, Net	<u>\$ 4,161</u>	<u>\$ (540)</u>	<u>\$</u>	<u>3,621</u>

**NOTE 8 - DEBT**

The Act authorizes the Authority to issue its own bonds and other obligations in such principal amounts as, in the opinion of the Authority, will be necessary to provide sufficient funds for carrying out its purposes. The State legislature enacted legislation that provides the authority to enter into agreements to reduce the rate of borrowing and moderate the effect of bond interest rate fluctuations through the use of contracts commonly known as interest rate swap agreements and similar type contracts. The Authority's obligations are not debt of the State of Connecticut, and the State is not liable thereon.

Included in the Authority's bond portfolio are variable rate demand bonds. The Authority has two mechanisms to ensure the purchase of variable rate demand bonds in the event that the bonds cannot be remarketed.

- 1) The Authority has entered into Standby Bond Purchase Agreements with various providers to purchase the bonds.
- 2) The Authority has entered into a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for the Authority to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2025, the amount available under the SBLOC is \$123,529,762. No drawings have been made as of December 31, 2025.

## **CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS**

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### **Bond Resolution**

Housing Mortgage Finance Program Bonds issued under the Bond Resolution bear fixed interest at rates ranging from 0.55% to 6.274% as of December 31, 2025 and 0.4% to 6.274% as of December 31, 2024, and are subject to certain redemption provisions and mature in years through 2068 as of December 31, 2025 and in years through 2066 as of December 31, 2024.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Bond Resolution: (1) the proceeds derived from the sale of bonds issued under the Bond Resolution, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed, or deemed to have been financed from the Housing Mortgage General Fund, and (3) all monies and securities of the Housing Mortgage General Fund and the Bond Resolution Capital Reserve Fund.

### **Special Needs Indenture**

Special Needs Housing Mortgage Finance Program Bonds issued under the Special Needs Indenture bear fixed interest at rates ranging from 0.95% to 4.70% as of December 31, 2025 and 0.75% to 4.70% as of December 31, 2024, are subject to certain redemption provisions and mature in years through 2051 as of December 31, 2025 and December 31, 2024.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Special Needs Indenture: (1) the proceeds derived from the sale of bonds issued under the Special Needs Indenture, (2) all mortgage repayments with respect to Special Needs Housing mortgages financed from the Special Needs Housing Fund, and (3) all monies and securities of the Special Needs Housing Fund, the State Assistance Agreement Fund, the EMAP State Assistance Agreement Fund and the Special Needs Housing Capital Reserve Fund.

### **MFSOB Resolution and Multifamily Other Bond Resolution**

In October 2009, the U.S. Department of Treasury (the "Treasury"), the Federal Housing Finance Agency and Fannie Mae and Freddie Mac (the "GSEs") announced the Federal New Issue Bond Program (the "Federal NIBP") authorized by the Housing Economic Recovery Act of 2008. The Federal NIBP allowed the GSEs to purchase bonds from housing finance agencies (the "HFAs") and package them into GSE-guaranteed securities for delivery to and purchase by the Treasury. These HFA bonds were to be issued to finance single family or multifamily mortgage loans. If issued to finance single family loans, the HFA bonds were not to exceed 60% of the bond issue. The HFA bonds were required to be issued at fixed rates to maturity or monthly rate reset bonds that were to convert to rates fixed to maturity in calendar year 2010. In September 2010, the Treasury announced an extension to the end of this conversion period to December 31, 2011. The fixed interest rates were expected to be lower than prevailing interest rates available through a public bond offering. Pursuant to this program and based on an allocation for GSE purchase received from the Treasury, the Authority issued \$27,610,000 in Multifamily Special Obligation Bonds under the MFSOB Resolution (collectively, the "NIBP Escrow Bonds") on December 30, 2009, that settled on January 12, 2010. The proceeds of the NIBP Escrow Bonds were held in escrow pending the issuance by the Authority of additional taxable or tax-exempt bonds (the "NIBP Market Bonds"). As of December 31, 2011, all NIBP Escrow Bonds had been converted to long-term fixed rates of interest.

Bonds issued under the MFSOB Resolution are special obligations of the Authority payable solely from and secured by assets pledged under the MFSOB Resolution for Multifamily Special Obligation Bonds.

In connection with the Federal NIBP, the Authority has also authorized the Multifamily Other Bond Resolution to issue Other Bonds secured by the Bond Resolution Capital Reserve Fund under the Bond

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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Resolution. Proceeds of the Other Bonds, the NIBP Escrow Bonds and the NIBP Market Bonds are intended to be used to (i) participate in the purchase or making of single-family or multifamily mortgage loans under the Authority's Housing Mortgage Finance Program, (ii) fund reserves and (iii) pay related bond costs. Bonds issued under the Other Bond Resolutions are general obligations of the Authority.

**QECB Resolution**

The Authority adopted the Qualified Energy Conservation Bond Resolution ("QECB Resolution") on February 26, 2015. The bond proceeds are intended to be used for energy conservation improvements and replacements for multifamily housing developments owned or managed by participating public housing authorities. Bonds issued under the QECB Resolution are secured by, among others, the loan repayments from the QECB funded loans, the QECB federal tax credit subsidy and are general obligations of the Authority. The Authority will no longer issue bonds under the QECB Resolution due to the Tax Cuts and Jobs Act of 2017.

**Housing Revenue Bond Indenture**

The Authority adopted the Housing Revenue Bond General Trust Indenture ("HRB Indenture") on September 1, 2023. This vehicle was created to provide an alternative method of financing the purchase or making of federally insured construction or permanent multifamily loans or federally guaranteed mortgage-backed securities consisting of multifamily or single family loans, without the general obligation of the Authority or the use of a debt service reserve fund supported by the State of Connecticut.

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

Bonds payable as of December 31, 2025 and 2024 were as follows (in 000's):

<u>Publicly Offered</u>	<u>Final Maturity Date</u>	<u>Interest Rate Range %</u>	<u>Outstanding Balance</u>		<u>Amount Due Within 1 Year</u>
			<u>December 31,</u>		
			<u>2025</u>	<u>2024</u>	
1998 Series D	2025	Index		5,200	
2001 Series D	2027	Index	4,560	6,645	2,210
2004 Series A	2025	Index		4,000	
2009 Series D	2039	6.274	52,175	53,015	900
2013 Series B	2034	Variable	15,775	16,845	1,105
2014 Series B	2044	3.60 - 4.15	44,305	45,000	730
2014 Series C	2038	3.20 - 3.95/Variable	34,195	38,025	2,250
2014 Series D	2036	2.85 - 3.40/Variable	72,835	80,175	6,870
2014 Series F	2054	3.25 - 4.05	35,600	36,650	990
2015 Series A	2045	2.80 - 3.85	63,730	68,185	4,235
2015 Series C	2045	3.20 - 3.60/Variable	55,940	58,860	4,710
2015 Series E	2055	2.75 - 4.00	21,175	24,590	2,545
2016 Series A	2045	2.40 - 3.50/Variable	104,910	109,955	5,240
2016 Series B	2046	2.40 - 3.55/Variable	107,350	113,420	4,990
2016 Series C	2051	2.15 - 3.50	39,510	40,770	1,355
2016 Series E	2046	2.50 - 3.00/Variable	99,050	107,130	5,705
2016 Series F	2046	2.40 - 3.50/Variable	93,675	102,785	5,555
2016 Series G	2056	2.40 - 3.90	16,795	17,020	235
2017 Series A	2047	2.875- 4.00/Variable	58,465	67,450	535
2017 Series C	2047	2.90 - 4.00/Variable	67,935	74,305	
2017 Series D	2047	2.35 - 4.00/Variable	97,745	105,170	4,475
2017 Series E	2057	2.35 - 3.90	11,230	12,740	165
2017 Series F	2047	2.45 - 4.00/Variable	80,140	88,740	2,565
2018 Series A	2048	3.50 - 4.00/Variable	60,390	64,690	
2018 Series B	2048	4.00/Variable	50,855	54,800	
2018 Series C	2048	3.625 - 4.00/Variable	62,350	66,950	
2018 Series D	2058	3.00 - 4.40	30,395	30,760	385
2018 Series E	2048	4.25/Variable	45,625	50,180	40,000
2019 Series A	2049	2.45 - 4.00/Variable	46,250	52,485	1,755
2019 Series B	2049	2.15 - 4.00/Variable	78,905	85,175	36,300
2019 Series D	2049	1.85 - 4.00/Variable	82,680	89,140	37,930
2019 Series E	2059	1.80 - 3.35	65,455	71,985	6,740
2019 Series F	2049	1.75 - 3.50/Variable	83,440	89,885	37,935
2020 Series A	2050	1.65- 3.50/Variable	101,455	109,460	3,830
2020 Series C	2050	0.90 - 5.00/Variable	115,215	124,215	4,625
2020 Series D	2060	0.90 - 2.85	45,045	56,250	405
2020 Series E	2050	1.15 - 3.00/Variable	104,710	113,725	5,175
2021 Series A	2038	0.55 - 1.85	155,770	163,665	10,755
2021 Series B	2065	0.65 - 3.00	136,905	149,500	9,280
2021 Series D	2051	1.55 - 5.00	118,495	130,320	5,195
2021 Series E	2061	0.75 - 5.00	97,070	109,130	7,215
2022 Series A	2051	2.15 - 5.00/Variable	83,245	91,075	2,570
2022 Series B	2052	3.60 - 5.00	75,930	77,310	850
2022 Series C	2052	2.80 - 4.50/Variable	64,620	66,040	1,505
2022 Series D	2052	3.30 - 5.00	24,700	54,955	250
2022 Series E	2052	3.35 - 5.50/Variable	131,575	140,380	2,185
2023 Series A	2053	3.20 - 5.25	154,765	164,540	4,545
2023 Series B	2053	3.15 - 5.75	135,435	142,750	2,545
2023 Series C	2066	3.80 - 5.25	15,725	52,180	125
2023 Series D	2054	3.95 - 6.25	182,125	187,545	3,045
2024 Series A	2054	3.05 - 6.00	190,850	195,760	3,390

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**Housing Mortgage Finance Program Bonds (continued)**

<b>Publicly Offered</b>	<b>Final Maturity Date</b>	<b>Interest Rate Range %</b>	<b>Outstanding Balance December 31,</b>		<b>Amount Due Within 1 Year</b>
			<b>2025</b>	<b>2024</b>	
2024 Series C	2054	3.35 - 6.143	241,360	246,210	4,135
2024 Series D	2064	3.35 - 4.90	116,165	122,915	470
2024 Series E	2066	3.00 - 5.75	185,015	188,715	2,745
2024 Series F	2055	3.85 - 6.00	294,450	298,645	5,085
2025 Series A	2055	3.00 - 5.953	296,725		4,680
2025 Series B	2060	2.90 - 5.968	120,775		485
2025 Series C	2055	3.30 - 6.158/Variable	348,920		4,785
2025 Series D	2068	2.70 - 4.95	120,790		650
2025 Series E	2055	2.75 - 6.00/Variable	369,975		3,365
Subtotal			\$ 5,811,250	\$ 4,918,010	\$ 312,300

<b>Direct Placements</b>	<b>Final Maturity Date</b>	<b>Interest Rate Range %</b>	<b>Outstanding Balance December 31,</b>		<b>Amount Due Within 1 Year</b>
			<b>2025</b>	<b>2024</b>	
2013 Series A	2041	Index	88,130	88,130	
2013 Series C	2046	Index	30,320	30,320	
2016 Series D	2050	3.25	11,335	11,595	270
2021 Series C	2033	Index	148,137	174,840	20,917
2022 Series C	2055	3.31	23,640	28,495	
2024 Series B	2033	5.17	50,000	50,000	
Subtotal			351,562	383,380	21,187

Plus unamortized bond premium

38,414      43,814

**Total Housing Mortgage Finance Bonds**      \$ 6,201,226      \$ 5,345,204      \$ 333,487

The amounts due within one year in the previous table include the total outstanding balance of variable rate demand bond obligations where the standby bond purchase agreements expire within one year of the balance sheet date, although the maturities extend well beyond. The value of these obligations as of December 31, 2025 is \$143,500. It is the intention of the Authority to renew these agreements prior to expiration.

**Special Needs Housing Mortgage Finance Program Special Obligation Bonds**

<b>Publicly Offered</b>	<b>Final Maturity Date</b>	<b>Interest Rate Range %</b>	<b>Outstanding Balance December 31,</b>		<b>Amount Due Within 1 Year</b>
			<b>2025</b>	<b>2024</b>	
Series 18	2046	3.50 - 4.45	8,095	8,340	255
Series 19	2035	3.50 - 4.25	5,565	6,160	615
Series 20	2045	3.50 - 4.40	3,040	3,140	100
Series 21	2045	3.60 - 4.70	9,995	10,390	405
Series 23	2048	3.40 - 4.30	3,180	3,265	90
Series 24	2037	3.40 - 4.10	4,265	4,870	270
Series 27	2051	0.95 - 2.65	7,335	7,385	50
Series 28	2040	0.95 - 2.375	10,465	12,325	1,535
<b>Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds</b>			\$ 51,940	\$ 55,875	\$ 3,320

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**Multifamily Special Obligation Bonds**

<u>Direct Placements</u>	<u>Final Maturity Date</u>	<u>Interest Rate Range %</u>	<u>Outstanding Balance December 31,</u>		<u>Amount Due Within 1 Year</u>
			<u>2025</u>	<u>2024</u>	
Series 2009-1	2051	2.32	20,890	21,470	600
<b>Total Multifamily Special Obligation Bonds</b>			<b>\$ 20,890</b>	<b>\$ 21,470</b>	<b>\$ 600</b>

**Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds**

<u>Direct Placements</u>	<u>Final Maturity Date</u>	<u>Interest Rate Range %</u>	<u>Outstanding Balance December 31,</u>		<u>Amount Due Within 1 Year</u>
			<u>2025</u>	<u>2024</u>	
2011 Series A	2055	4.75		1,286	
2013 Series A	2053	5.50/Variable		23,348	
<b>Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds</b>			<b>\$</b>	<b>\$ 24,634</b>	<b>\$</b>

**Qualified Energy Conservation Bonds**

<u>Direct Placements</u>	<u>Final Maturity Date</u>	<u>Interest Rate Range %</u>	<u>Outstanding Balance December 31,</u>		<u>Amount Due Within 1 Year</u>
			<u>2025</u>	<u>2024</u>	
2015 Series A (1,2)	2034	4.35	3,239	3,515	291
2016 Series B	2035	3.94	1,381	1,510	131
2016 Series C	2036	3.94	1,043	1,137	95
<b>Total Qualified Energy Conservation Bonds</b>			<b>5,663</b>	<b>6,163</b>	<b>517</b>

**Housing Revenue Bonds**

<u>Publicly Offered</u>	<u>Final Maturity Date</u>	<u>Interest Rate Range %</u>	<u>Outstanding Balance December 31,</u>		<u>Amount Due Within 1 Year</u>
			<u>2025</u>	<u>2024</u>	
2025 Series A	2043	2.70 - 4.80	24,667		
2025 Series B	2043	2.70 - 4.80	12,920		
2025 Series C	2041	2.75 - 4.80	26,760		265
<b>Total Housing Revenue Bonds</b>			<b>64,347</b>		<b>265</b>
<b>Total Bonds Payable, Net</b>			<b>\$ 6,344,066</b>	<b>\$ 5,453,346</b>	<b>\$ 338,189</b>

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

**Line of Credit**

On November 4, 2021, CHFA entered into a revolving line of credit agreement with Wells Fargo Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The original revolving agreement has been extended twice with the current term expiring on July 29, 2026. The current maximum line of credit available is \$75 million. The outstanding line of credit balance incurs interest based on daily SOFR plus 63 basis points. As of December 31, 2025, the outstanding balance was \$58.6 million.

On April 27, 2022, CHFA entered into a revolving line of credit agreement with Bank of America, N.A., proceeds of which were used as a single-family loan warehouse facility. The agreement originally had a maximum line of credit of \$75 million and had an original expiration date of April 26, 2024. On March 28, 2024 the agreement was modified and extended to April 30, 2026. The amount available under the line was reduced by \$25 million to \$50 million on August, 27, 2025. The outstanding line of credit balance bears interest at an index rate which resets monthly and is one-month Term SOFR plus 65 basis points. As of December 31, 2025, the outstanding balance was zero.

On November 1, 2023, CHFA entered into a line of credit agreement with U.S. Bank National Association, proceeds of which were used as a single-family loan warehouse facility. The agreement had a maximum line of credit of \$75 million and bore interest at an index rate which reset daily at one-month Term SOFR plus a spread of 128 basis points. On May 22, 2025, the agreement was extended to November 16, 2026. The extension reduced the spread to 44 basis points. As of December 31, 2025, \$75 million of the line of credit was outstanding.

On April 1, 2025, CHFA entered into a revolving line of credit agreement with PNC Bank, National Association, proceeds of which were used as a single-family loan warehouse facility. The agreement has a maximum line of credit of \$75 million and bears interest at an index rate which resets daily at one-month Term SOFR plus a spread of 48 basis points. The agreement expires on April 9, 2027. As of December 31, 2025, \$20 million of the line of credit was outstanding.

**Note Payable (in 000's)**

The Authority has executed Fixed Rate Amortizing Advances (Advances) pursuant to the Agreement for Advances, Collateral Pledge and Security Agreement (Agreement) with the Federal Home Loan Bank of Boston. The purpose of the Advances was to provide long-term financing for multifamily properties. The Authority pledged a security interest in the first mortgage on the corresponding multifamily loan as collateral, as required under the terms of the Agreement. The Agreements contains several provisions which would result in default, including, but not limited to, failure to pay the debt and a material breach of any representations or warranty. A summary of the Advances is below.

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>		<u>Due Within One Year</u>
		<u>December 31,</u>		
		<u>2025</u>	<u>2024</u>	
12/1/2044	5.01%	3,858	3,976	124
8/1/2045	5.10%	2,573		78
12/1/2045	4.82%	7,813		236
<b>Total Notes Payable</b>		<b>\$ 14,244</b>	<b>\$ 3,976</b>	<b>\$ 438</b>

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

**Conduit Debt**

In furtherance of the Authority’s mission, the Authority has issued conduit debt obligations. The outstanding principal balances of conduit debt obligations as of December 31, 2025 include four Multifamily Housing Revenue Bonds totaling \$20,726,410, one series totaling \$2,697,422 of Multifamily Housing Revenue Notes, and four series totaling \$37,680,000 of State-Supported Special Obligation Bonds. The outstanding principal balances of conduit debt obligations as of December 31, 2024 include four Multifamily Housing Revenue Bonds totaling \$22,630,930, one series totaling \$2,742,666 of Multifamily Housing Revenue Notes, and four series totaling \$45,755,000 of State-Supported Special Obligation Bonds. The issuance of these obligations does not create or imply any indebtedness on the part of the Authority. Each issue requires that the funds related to such issue be held by a trustee for the bondholders; therefore, such funds are not under the control of the Authority, and, accordingly, the Authority’s financial statements do not reflect the balances or operating results of the various trust accounts.

**Debt Service Requirements**

The following tables provide a summary of debt service requirements and net swap payments for the next five years and in five-year increments thereafter (in 000’s). The interest calculations are based on the variable rates in effect on December 31, 2025, and may not be indicative of the actual interest expense that will be incurred.

Year Ending December 31,	Bond Resolution						
	Fixed-Publicly Offered		Variable-Publicly Offered			Fixed - Direct Placements	
	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2026	\$ 163,970	\$ 195,215	\$ 4,830	\$ 36,025	\$ (302)	\$ 270	\$ 3,734
2027	157,965	190,458	4,845	35,837	(646)	285	3,725
2028	194,230	185,204	8,970	35,526	(998)	295	3,715
2029	161,555	179,569	12,600	35,143	(1,147)	5,305	3,706
2030	170,740	174,317	12,960	34,721	(1,525)	10,320	3,179
2031-2035	860,310	785,279	174,955	157,487	(9,824)	36,830	8,488
2036-2040	783,360	628,887	200,910	126,112	(10,145)	2,255	5,059
2041-2045	741,170	464,674	234,260	92,202	(5,427)	2,790	4,655
2046-2050	660,790	295,157	387,680	35,494	268	14,420	3,730
2051-2055	662,980	123,888	46,980	753	100	12,205	787
2056-2060	113,995	25,341	-				
2061-2065	48,610	5,199					
2065-2070	2,585	131					
Total	\$ 4,722,260	\$ 3,253,319	\$ 1,088,990	\$ 589,300	\$ (29,646)	\$ 84,975	\$ 40,778

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

Year Ending December 31,	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2026	\$ 20,917	\$ 11,161	\$ 993	\$ 189,987	\$ 246,826	\$ 436,813
2027	20,762	10,681	821	183,857	240,876	424,733
2028	20,219	9,789	650	223,714	233,886	457,600
2029	20,936	8,881	518	200,396	226,670	427,066
2030	20,936	7,962	399	214,956	219,053	434,009
2031-2035	70,327	29,127	446	1,142,422	971,003	2,113,425
2036-2040	47,705	14,454		1,034,230	764,367	1,798,597
2041-2045	28,100	5,135		1,006,320	561,239	1,567,559
2046-2050	16,685	737		1,079,575	335,386	1,414,961
2051-2055	-			722,165	125,528	847,693
2056-2060				113,995	25,341	139,336
2061-2065				48,610	5,199	53,809
2065-2070				2,585	131	2,716
Total	\$ <u>266,587</u>	\$ <u>97,927</u>	\$ <u>3,827</u>	\$ <u>6,162,812</u>	\$ <u>3,955,505</u>	\$ <u>10,118,317</u>

Year Ending December 31,	Special Needs Indenture Fixed-Publicly Offered		MFSOB Resolution Fixed-Publicly Offered	
	Principal	Interest	Principal	Interest
2026	\$ 3,320	\$ 1,738	\$ 600	\$ 482
2027	3,130	1,660	610	467
2028	2,870	1,578	650	453
2029	2,870	1,492	660	438
2030	2,990	1,401	690	422
2031-2035	13,230	5,561	3,810	1,860
2036-2040	11,970	3,266	4,510	1,382
2041-2045	7,995	1,304	5,390	814
2046-2050	3,235	236	3,900	180
2051-2055	330	4	70	1
Total	\$ <u>51,940</u>	\$ <u>18,240</u>	\$ <u>20,890</u>	\$ <u>6,499</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

Year Ending December 31,	QECB Resolution		HRB Resolution		Grand Total
	Fixed - Direct Placement		Fixed - Publicly Offered		
	Principal	Interest	Principal	Interest	
2026	\$ 517	\$ 231	\$ 265	3,318	448,433
2027	533	209	280	2,990	435,751
2028	552	187	415	2,981	468,425
2029	570	164	560	2,968	437,927
2030	590	139	575	2,951	444,906
2031-2035	2,806	311	3,265	14,444	2,164,406
2036-2040	95	3	4,167	13,705	1,843,389
2041-2045			54,820	4,982	1,648,173
2046-2050					1,422,512
2051-2055					848,098
2056-2060					139,336
2061-2065					53,809
2065-2070					2,716
Total	\$ 5,663	\$ 1,244	\$ 64,347	48,339	10,357,881

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2026	\$ 438	\$ 711	\$ 1,149
2027	460	679	1,139
2028	482	657	1,139
2029	505	634	1,139
2030	536	603	1,139
2031-2035	3,108	2,586	5,694
2036-2040	3,989	1,705	5,694
2041-2045	4,726	583	5,309
Total	\$ 14,244	\$ 8,158	\$ 22,402

**Objective of the Interest Rate Swaps**

The Authority employs swaps to establish synthetic fixed rates for a portion of its variable rate bond obligations. The Authority's interest rate swap transactions are structured for the Authority to pay a fixed interest rate while receiving variable interest rates from the counterparties which are comparable to the rates required by the variable rate bonds. These synthetic fixed rates were lower than those available to the Authority from fixed rate obligations of comparable maturity. The proceeds of these transactions are generally used to make fixed rate mortgage loans. As the objective of the derivative instruments entered into was to hedge changes in cash flows for each bond series, they are classified as cash flow hedges.

**Terms**

The Authority has entered into amortizing interest rate swap agreements under the Bond Resolution in which the Authority owes a fixed payment to the counterparties of the swaps. In return, the counterparties owe the Authority a payment based on common indices such as the Securities Industry and Financial

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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Markets Association Municipal Swap Index (“SIFMA”) or the New York Federal Reserve Secured Overnight Financing Rate (“SOFR”) that is comparable to the rates required by the Authority’s bonds. Only the net difference in interest payments is actually exchanged between the Authority and the counterparties. The Authority’s amortizing interest rate swap agreements contain scheduled reductions to outstanding notional amounts that are projected to follow scheduled or anticipated reductions in bonds payable. The Authority did not pay or receive any cash when the swap transactions were initiated.

On October 23, 2020, the International Swaps and Derivatives Association (ISDA) published its LIBOR Fallbacks Protocol and Supplement to the 2006 ISDA Definitions in anticipation of the expected discontinuation of the London Interbank Offered Rate (LIBOR) at the end of 2021. While the use of the Protocol and the Supplement is voluntary, the Authority agreed and adhered to the Protocol on January 19, 2021 to avoid any market disruption. On November 30, 2020, the ICE Benchmark Administration and the Financial Conduct Authority announced that most tenors of US Dollar LIBOR including the 1 month and the 3 month, would continue to be published through June 30, 2023. Recognizing the need to for a uniform, nationwide solution on LIBOR, on March 15, 2022, Congress enacted the Adjustable Interest Rate Act (“AIRA”) which lays out a set of default rules that apply to legacy contracts subject to U.S. law. Beginning July 1, 2023, all tenors of US Dollar LIBOR were replaced by Fallback Rate as determined by AIRA. Fallback Rate means the term adjusted SOFR plus the spread relating to the US Dollar LIBOR.

# CONNECTICUT HOUSING FINANCE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2025, were as follows (in 000's):

Associated Bond Issue	Effective Date	Notional Amount	Fixed Rate Paid	Variable Rate Received **	Fair Value	Termination Date	Counterparty	
							Credit Rating *	% of Total Outstanding
2016 Series B-4	8/15/08	9,855	3.849%	67% 3M LIBOR	(959)	11/15/38		
2016 Series B-4	8/15/08	8,925	3.855%	67% 3M LIBOR	(627)	11/15/33		
2016 Series F-5	7/1/98	6,700	4.870%	100% 1W SIFMA	(783)	11/15/28		
2016 Series F-5	8/15/08	27,550	3.845%	67% 3M LIBOR	(1,921)	11/15/33		
2017 Series C-3 & 2018 Series C-3	7/1/01	11,935	4.310%	67% 1M LIBOR	(486)	5/15/32		
2018 Series C-3, 2018 Series C-4, 2018 Series E-2,								
2017 Series C-3	11/15/18	25,162	2.471%	67% 3M LIBOR	4,540	11/15/48		
2021 Series C	7/11/01	4,560	5.820%	167% 1M LIBOR-SIFMA	(123)	11/15/27		
<b>Total Bank of America, N.A.</b>		<b>94,687</b>			<b>(359)</b>		<b>A+/Aa2/AA</b>	<b>9.72%</b>
2001 Series D-5	12/20/01	4,560	5.360%	167% 3M LIBOR-SIFMA	(84)	11/15/27		
2021 Series C	12/20/01	28,790	4.090%	67% 1M LIBOR	(968)	5/15/33		
2021 Series C	8/15/08	8,005	3.852%	67% 3M LIBOR	(200)	11/15/28		
2014 Series D-3	2/18/09	20,405	3.433%	67% 3M LIBOR	(986)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	5/15/18	53,205	2.248%	70% 3M LIBOR	7,116	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	2/18/09	49,630	3.430%	67% 3M LIBOR	(2,341)	11/15/38		
2018 Series B-3	6/4/18	10,105	2.500%	70% 3M LIBOR	3,557	11/15/48		
2022 Series A-3	3/24/22	15,000	2.173%	100% 1W SIFMA	339	5/15/31		
<b>Total Bank of New York Mellon</b>		<b>189,700</b>			<b>6,433</b>		<b>AA-/Aa2/AA</b>	<b>19.48%</b>
2021 Series C	6/5/02	19,245	5.740%	167% 1M LIBOR- SIFMA	(1,787)	5/15/33		
2018 Series C-3 & 2018 Series C-4	6/5/02	11,105	4.352%	67% 1M LIBOR	(640)	5/15/33		
2019 Series F-2	10/29/19	26,250	1.708%	100% 1W SIFMA	6,316	11/15/49		
2025 Series E-3	11/13/25	64,000	2.986%	67% 1D SOFR	1,424	11/15/51		
<b>Total Citibank, NA</b>		<b>120,600</b>			<b>5,313</b>		<b>A+/Aa3/A+</b>	<b>12.39%</b>
2017 Series C-3 & 2017 Series F-3	8/1/02	25,470	3.981%	67% 1M LIBOR	(1,512)	5/15/33		
2018 Series C-3 & 2018 Series C-4	3/7/01	8,115	4.120%	67% 1M LIBOR	(320)	5/15/32		
2021 Series C	3/7/01	13,980	5.475%	167% 1M LIBOR-SIFMA	(1,023)	5/15/32		
<b>Total Goldman Sachs Mitsui Marine</b>		<b>47,565</b>			<b>(2,855)</b>		<b>AA-/Aa2/NR</b>	<b>4.89%</b>
2025 Series C-3	6/12/25	64,000	3.241%	67% 1D SOFR	(488)	11/15/51		
<b>Total J.P Morgan Chase Bank, N.A.</b>		<b>64,000</b>			<b>(488)</b>		<b>AA-/Aa2/AA</b>	<b>6.57%</b>
2013 Series B-6 & 2016 Series E	6/15/15	26,195	2.0515%	67% 3M LIBOR	518	11/15/35		
2015 Series C	8/6/15	45,000	2.3625%	70% 1M LIBOR	3,043	11/15/45		
2016 Series A	11/16/15	40,000	2.1325%	67% 3M LIBOR	3,327	11/15/45		
2016 Series B-4	11/15/18	21,220	2.1400%	70% 1M LIBOR	2,741	11/15/46		
2016 Series E-3	8/25/16	27,555	1.7970%	67% 3M LIBOR	4,246	11/15/46		
2017 Series A-3	3/2/17	38,000	2.3350%	67% 3M LIBOR	3,384	11/15/47		
2019 Series A-2	3/5/19	5,000	1.8600%	67% 3M LIBOR	97	5/15/29		
2019 Series B-2 & 2019 Series B-3	5/9/19	25,125	1.9990%	67% 3M LIBOR	2,415	11/15/43		
2020 Series C-3	8/13/20	30,000	1.2660%	100% 1W SIFMA	10,705	11/15/50		
2022 Series C-2	7/21/22	15,000	2.9980%	100% 1W SIFMA	546	11/15/37		
<b>Total Royal Bank of Canada</b>		<b>273,095</b>			<b>31,022</b>		<b>AA-/Aa1/AA-</b>	<b>28.06%</b>
2014 Series C & 2020 Series E	12/17/20	26,200	0.723%	100% 1W SIFMA	2,102	11/15/30		
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	11/15/18	25,168	2.242%	67% 3M LIBOR	159	11/15/28		
2018 Series B-3	6/4/18	10,105	2.071%	70% 3M LIBOR	118	5/15/28		
<b>Total Toronto-Dominion Bank, New York Branch</b>		<b>61,473</b>			<b>2,379</b>		<b>A+/Aa2/AA-u</b>	<b>6.31%</b>
2019 Series A-2 & 2019 Series A-3	3/5/19	18,500	2.290%	67% 3M LIBOR	2,305	5/15/49		
2019 Series D-3	8/8/19	26,230	1.4725%	67% 3M LIBOR	4,045	11/15/43		
<b>Total U.S. Bank National Association</b>		<b>44,730</b>			<b>6,350</b>		<b>A+/A1/A+</b>	<b>4.59%</b>
2016 Series F-5	11/15/16	14,250	1.820%	67% 3M LIBOR	4,141	11/15/46		
2017 Series F-3	10/4/00	13,140	5.397%	100% 1W SIFMA	(1,174)	11/15/31		
2021 Series C & 2020 Series A-3	3/2/06	27,920	3.4175%	67% 3M LIBOR	(1,198)	5/15/36		
2022 Series E-2	11/10/22	22,500	3.848%	100% 1W SIFMA	(658)	11/15/37		
<b>Total Wells Fargo Bank, NA</b>		<b>77,810</b>			<b>1,111</b>		<b>A+/Aa2/AA-</b>	<b>7.99%</b>
<b>Portfolio Total</b>		<b>\$ 973,660</b>			<b>\$ 48,906</b>			<b>100.00%</b>

\* S&P/Moody's/Fitch

\*\* As a result of the cessation of LIBOR on 6/30/23, all reference to LIBOR in this chart refers to the corresponding LIBOR Fallback Rate (SOFR).

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
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The changes in fair value of outstanding swaps from December 31, 2024 to December 31, 2025 as follows (in 000's):

Associated Bond Issue	Fair Value 12/31/2025	Fair Value 12/31/2024	Change in Fair Value
1998 Series D-4	\$	\$ (69)	\$ 69
2016 Series B-4	(959)	(843)	(116)
2016 Series B-4	(627)	(528)	(99)
2016 Series F-5	(783)	(771)	(12)
2016 Series F-5	(1,921)	(1,614)	(307)
2017 Series C-3 & 2018 Series C-3	(486)	(330)	(156)
2018 Series C-3, 2018 Series C-4, 2018 Series E-2	4,540	4,377	163
2021 Series C	(123)	(187)	64
<b>Total Bank of America, N.A.</b>	<u>(359)</u>	<u>35</u>	<u>(394)</u>
2001 Series D-5	(84)	(106)	22
2021 Series C	(968)	(1,015)	47
2021 Series C	(200)	(223)	23
2014 Series D-3	(986)	(710)	(276)
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	7,116	7,469	(353)
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	(2,341)	(1,838)	(503)
2018 Series B-3	3,557	3,177	380
2022 Series A-3	339	816	(477)
<b>Total Bank of New York Mellon</b>	<u>6,433</u>	<u>7,570</u>	<u>(1,137)</u>
2021 Series C	(1,787)	(1,786)	(1)
2018 Series C-3 & 2018 Series C-4	(640)	(630)	(10)
2019 Series F-2	6,316	6,463	(147)
2025 Series E-3	1,424		1,424
<b>Total Citibank, NA</b>	<u>5,313</u>	<u>4,047</u>	<u>1,266</u>
2017 Series C-3 & 2017 Series F-3	(1,512)	(1,354)	(158)
2018 Series C-3 & 2018 Series C-4	(320)	(269)	(51)
2021 Series C	(1,023)	(1,008)	(15)
<b>Total Goldman Sachs Mitsui Marine</b>	<u>(2,855)</u>	<u>(2,631)</u>	<u>(224)</u>
2025 Series C-3	(488)		(488)
<b>Total J.P Morgan Chase Bank, N.A.</b>	<u>(488)</u>	<u></u>	<u>(488)</u>
2013 Series B-6 & 2016 Series E	518	1,210	(692)
2015 Series C	3,043	4,100	(1,057)
2016 Series A	3,327	4,207	(880)
2016 Series B-4	2,741	3,064	(323)
2016 Series E-3	4,246	4,773	(527)
2017 Series A-3	3,384	4,111	(727)
2019 Series A-2	97	214	(117)
2019 Series B-2 & 2019 Series B-3	2,415	2,848	(433)
2020 Series C-3	10,705	10,250	455
2022 Series C-2	546	949	(403)
<b>Total Royal Bank of Canada</b>	<u>31,022</u>	<u>35,726</u>	<u>(4,704)</u>
2014 Series C & 2020 Series E	2,102	3,173	(1,071)
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	159	659	(500)
2018 Series B-3	118	327	(209)
<b>Total Toronto-Dominion Bank, New York Branch</b>	<u>2,379</u>	<u>4,159</u>	<u>(1,780)</u>
2019 Series A-2 & 2019 Series A-3	2,305	2,450	(145)
2019 Series D-3	4,045	4,589	(544)
<b>Total U.S. Bank National Association</b>	<u>6,350</u>	<u>7,039</u>	<u>(689)</u>
2016 Series F-5	4,141	3,761	380
2017 Series F-3	(1,174)	(1,142)	(32)
2021 Series C & 2020 Series A-3	(1,198)	(896)	(302)
2022 Series E-2	(658)	(132)	(526)
<b>Total Wells Fargo Bank, NA</b>	<u>1,111</u>	<u>1,591</u>	<u>(480)</u>
<b>Portfolio Total</b>	<u>\$ 48,906</u>	<u>\$ 57,536</u>	<u>\$ (8,630)</u>

## CONNECTICUT HOUSING FINANCE AUTHORITY NOTES TO FINANCIAL STATEMENTS

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### **Fair Value**

There is a multi-step process in determining the fair value of the Authority's swap portfolio. The first step is to determine the settlement price utilizing the Income Approach from "mid market" pricing data. Such data consists primarily of observable quotes from the over-the-counter swap markets that fall into Level 2 of the fair value hierarchy. The second step is to determine the credit valuation adjustment ("CVA"). The purpose of the CVA is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Default probabilities are derived from credit default swap quotes or generic ratings based on borrowing curves that fall into Level 2 of the fair value hierarchy. In the final step, to determine fair value, the settlement price is adjusted by the CVAs of both the reporting entity's and counterparty's payment obligations. The aggregate fair value of the Authority's swap agreements was \$48,906,143 as of December 31, 2025.

### **Credit Risk**

Credit exposure arises when the fair value of a swap is positive due to the obligation of the counterparty to make payment to the Authority in the event of termination. Counterparty credit risk is lessened due to the Authority's broad diversification approach and collateral posting rating requirement. For any new swap contract, the Authority's derivative transaction policy requires a counterparty to have credit ratings no lower than Aa3 by Moody's, AA- by S&P or AA- by Fitch. As of December 31, 2025, the fair value of approximately 52% of the agreements in the portfolio were positive. The Authority's existing counterparties have credit ratings ranging from A1 to Aa2 by Moody's, A+ to AA- by S&P and A+ to AA by Fitch.

### **Basis Risk**

Basis risk is the risk that there may be a difference between the floating rate component of the swap, which is based on indices that consist of taxable or tax-exempt market-wide averages, and the rate on the Authority's variable rate bonds, which is based on that specific bond issue. CHFA's basis risk is within the Authority's acceptable tolerance levels.

### **Termination Risk**

Counterparties to the Authority's interest rate swap agreements have default termination rights that may require settlement payments by the Authority or by the counterparty based on the fair value of the swap at the date of termination. As of December 31, 2025, no termination events requiring settlement payments have occurred.

### **Rollover Risk**

The Authority's interest rate swap agreements have limited rollover risk because the swap agreements contain scheduled reductions to outstanding notional amounts which are expected to follow scheduled and anticipated reductions in the associated bonds payable. As of December 31, 2025, sixteen of the Authority's outstanding interest rate swap agreements provided the Authority with full or partial termination rights requiring no settlement payments to accommodate unexpected faster paydowns of the associated bonds as a result of higher repayment of home mortgage loans.

### **Contingencies**

Thirty-six of the Authority's forty-two interest rate swap agreements (outstanding notional amount \$879,605,000, fair value \$53,500,024) at December 31, 2025, require the Authority to post collateral in the event that the fair value of the interest rate swap falls below specific declining thresholds based on declines in the Authority's credit rating. As of December 31, 2025, the Authority's ratings remain at

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

AAA/Aaa (S&P/Moody's) and therefore, was not required to post collateral for any of its outstanding swaps.

**Refunding Bonds**

Due to the current elevated interest rate environment, it was not advantageous for the Authority to refund fixed rate bonds the past two years.

**NOTE 9 - CHANGES IN LONG-TERM LIABILITIES**

The changes in long-term liabilities for the years ended December 31, 2025, and 2024 were as follows (in 000's):

	<b>Balance January 1, 2025</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance December 31, 2025</b>
Escrow deposits	\$ 175,501	\$ 78,885	\$ (28,388)	\$ 225,998
Notes Payable	3,858	10,019	(71)	13,806
Bonds payable, publicly offered	4,712,689	1,316,675	(379,298)	5,650,066
Bonds payable, direct placement	417,048		(61,237)	355,811
Compensated Absences *	931	360		1,291
Net OPEB liability	56,303	18,556	(35,397)	39,462
Net pension liability	48,150		(15,930)	32,220
	<u>\$ 5,414,480</u>	<u>\$ 1,424,495</u>	<u>\$ (520,321)</u>	<u>\$ 6,318,654</u>

	<b>Balance January 1, 2024</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance December 31, 2024</b>
Escrow deposits	\$ 163,810	\$ 39,503	\$ (27,812)	\$ 175,501
Notes Payable		3,858		3,858
Bonds payable, publicly offered	4,076,217	999,687	(363,215)	4,712,689
Bonds payable, direct placement	388,593	50,000	(21,545)	417,048
Compensated Absences *	677	254		931
Net OPEB liability	52,123	33,077	(28,897)	56,303
Net pension liability	41,960	12,818	(6,628)	48,150
	<u>\$ 4,723,380</u>	<u>\$ 1,139,197</u>	<u>\$ (448,097)</u>	<u>\$ 5,414,480</u>

\* The change in compensated absences liability is presented as a net change.

**NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The Authority reports interfund balances among its funds which are reflected on the combining schedule of net position as "due from/due to other funds/component units". These balances generally consist of accruals of various revenues or expenses due to a fund, but received or paid to another, and transfers

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

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between funds to meet liquidity requirements. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements.

The composition of interfund balances as of December 31, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Multifamily Real Estate Owned	2,300,000

During the year, operating transfers are used to reallocate or move resources from one fund to another and are reflected on the combining schedule of revenues, expenses and changes in net position.

**NOTE 11 – ARBITRAGE REBATES**

On certain bond issues, the Authority’s earnings from the investment of bond proceeds are limited per Federal Income Tax rules. Yields in excess of Federal Limits are payable to the U.S. Treasury and are recorded as a liability. As of December 31, 2025 and December 31, 2024, the Authority had arbitrage rebate liabilities totaling \$4,580,972 and \$3,286,000, respectively, and are reported in the statements of net position as a component of “escrow deposits and unearned revenue”. The net effect of changes in this liability are recorded as increases or reductions of “interest on investments” in the statements of revenues, expenses and changes in net position.

**NOTE 12 - NET POSITION**

Net position consisted of the following (in 000’s):

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
General and Capital Reserve Funds:		
Net investment in capital assets	\$ 3,289	\$ 3,621
Restricted by contractual agreements	72,910	78,995
Restricted by bond indentures and enabling legislation	816,204	622,529
Other Funds:		
Housing Mortgage Insurance Fund	4,357	4,169
Multifamily Special Obligation Bond and Other Bond Funds	4,452	4,188
Special Needs Housing Funds	53,947	48,218
Qualified Energy Conservation Bonds	875	792
Housing Revenue Bond Fund	(1,175)	
Component Units:		
CHFA-Small Properties, Inc.	2,180	1,994
	<u>\$ 957,039</u>	<u>\$ 764,506</u>
Restricted by Contractual Agreements		
FHLB of Boston Notes Payable collateral	14,316	3,996
Wells Fargo line of credit collateral	58,594	74,999
Total Restricted by Contractual Agreements	<u>\$ 72,910</u>	<u>\$ 78,995</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 - PENSION PLAN**

**Plan Description**

Eligible employees of the Authority participate in the Connecticut State Employees' Retirement System ("SERS") which is administered by the State Employees' Retirement Commission. SERS is a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS") established in 1939 and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes. Detailed information about the total Plan's funding status and progress, contributions required and fiduciary net position can be found in the Connecticut State Employees' Retirement System GASB Statement 68 Report available at [www.osc.ct.gov/rbsd/reports/index.html](http://www.osc.ct.gov/rbsd/reports/index.html).

SERS provides retirement, disability and health benefits, and annual cost-of-living allowances to plan members and their beneficiaries. Employees are covered under one of five tiers. All Authority employees are classified as non-hazardous duty. A summary of plan benefits and required contributions for non-hazardous duty members is represented in the following table:

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

	<u>Tier I</u>	<u>Tier II</u>	<u>Tier IIA</u>	<u>Tier III</u>	<u>Tier IV</u>
Eligibility - hire date	Prior to July 1, 1984	On or after July 1, 1984	On or after July 1, 1997	On or after July 1, 2011	On or after July 1, 2017
Final Average Earnings (FAE)	Average Salary of 3 highest paid years of service	Average Salary of 3 highest paid years of service		Average Salary of 5 highest paid years of service	
Benefit	<u>Plan B</u> 2% of FAE x years of service up to age 65. Thereafter, 1% of FAE up to \$4,800 plus 2% of FAE in excess of \$4,800. At age 70, greater of 1.25% of FAE up to \$4,800 plus 2.5% of FAE in excess of \$4,800 x years of service or 1% of FAE up to \$4,800 plus 2% of FAE in excess of \$4,800 x years of service.		1.4 % of FAE plus 0.433% of FAE in excess of breakpoint x years of service up to a max of 35 years plus 1.625% of FAE x years of service over 35 years		1.3% of FAE x years of service
	<u>Plan C</u> 2% of FAE x years of service. At age 70, greater of 2.5% of FAE x years of service (max 20 years) or 2% of FAE x years of service.				
Vesting	10 years of service	5 years of service	5 years of service	10 years of service	10 years of service
Normal Retirement	Age 55 with 25 years Age 60 with 10 years Age 70 with 5 years	If eligible for retirement prior to <u>July 1, 2022</u> Age 62 with 10 years Age 60 with 25 years Age 70 with 5 years		Age 63 with 25 years Age 65 with 10 years	Age 63 with 25 years Age 65 with 10 years
		If NOT eligible for retirement prior to <u>July 1, 2022</u> Age 65 with 10 year Age 63 with 25 years Age 70 with 5 years			
Early Retirement	Age 55 with 10 years	Age 55 with 10 years	Age 55 with 10 years	Age 58 with 10 years	Age 58 with 10 years
Member Contributions (prior to 7/1/17)	<u>Plan B</u> 2% of earnings up to social security wage base plus 5% of earnings above that level	None	2% of earnings	2% of earnings	n/a
	<u>Plan C</u> 5% of earnings				
Member Contributions (Effective 7/1/17 - 6/30/19)	<u>Plan B</u> 3.5% of earnings up to social security wage base plus 5% of earnings above that level	1.5% of earnings	3.5% of earnings	3.5% of earnings	* 5% of earnings
	<u>Plan C</u> 6.5% of earnings				
Member Contributions (Effective 7/1/19)	<u>Plan B</u> 4.0% of earnings up to social security wage base plus 5% of earnings above that level	2.0% of earnings	4.0% of earnings	4.0% of earnings	* 5% of earnings
	<u>Plan C</u> 7.0% of earnings				

**CONNECTICUT HOUSING FINANCE AUTHORITY  
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*\* In years where plan asset losses require further increases in contributions, Tier IV employees' contributions may increase by half the necessary increase in rates (up to 2%). All Tier IV employees must contribute 1% to the Defined Contribution (DC) portion of the Hybrid Plan and may elect additional contributions of up to 3% of salary to the DC portion. Effective July 1, 2023, through June 30, 2024, retirement contributions for Tier IV members increased 2% (from 5% to 7%). This increase was temporary and was a result of lower-than-expected performance of plan assets during the prior plan year. The additional contribution requirement was suspended on July 1, 2024, as asset performance exceeded earnings targets during the plan year.*

The 2011 State Employees Bargaining Agent Coalition Agreement (Agreement) provides current Tier II and Tier IIA members who remain employed after July 1, 2022, the opportunity for a one-time irrevocable election to retain the normal retirement eligibility in place prior to the Agreement. The election would require an additional employee contribution based on their original eligible retirement date. Under the prior agreement, normal retirement eligibility was age 60 and 25 years of service or age 62 and 10 years of service. All plans provide for death and disability benefits.

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Individuals hired on or after July 1, 2011, otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but requires employee contributions 3% higher than the contributions required from the applicable Tier II/IIA/III plan. The State is required to contribute at an actuarially determined rate.

The Authority's contractually required contribution rates for the years ended December 31, 2025 and 2024 were 34.20% and 41.86%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$5,649,161 and \$6,628,002 for the years ended December 31, 2025, and 2024, respectively.

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

As of December 31, 2025, and 2024, the Authority reported a liability of \$32,220,285 and \$48,149,784 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the plan relative to the projected contributions of all participating governmental units. The Authority's proportion was 0.19205% as of June 30, 2025.

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For the year ended December 31, 2025, the Authority recognized pension expense of (\$1,348,584). At December 31, 2025 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,814,610	\$
Change of assumptions		5,734
Net difference between projected and actual earnings on pension plan investments		1,705,916
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,930,674	14,693,324
Contributions subsequent to the measurement date	<u>3,049,645</u>	
	<u>\$ 10,794,929</u>	<u>\$ 16,404,974</u>

Of the total amount reported as deferred outflows of resources related to pensions, \$3,049,645 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ (3,027,629)
2027	(2,047,804)
2028	(991,732)
2029	(1,839,722)
2030	<u>(752,803)</u>
	<u>\$ (8,659,690)</u>

**Actuarial Assumptions**

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2025. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.00% - 11.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

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Assumed rates of mortality were obtained from the Pub-2010 Mortality Tables projected generationally with scale MP-2020. These assumptions are applied to all periods included in the measurement.

**Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4
	100.0	

**Discount Rate**

The discount rate used to measure the total pension liability at June 30, 2025 was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

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	<b>1% Decrease 5.90%</b>	<b>Discount Rate 6.90%</b>	<b>1% Increase 7.90%</b>
Authority's proportionate share of net pension liability	\$ 42,068,965	\$ 32,220,285	\$ 23,995,134

**Fiduciary Plan Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report of the State of Connecticut.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The State provides postemployment healthcare and life insurance benefits in accordance with State statutes, Section 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Authority. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the Plan), a cost sharing single-employer defined benefit plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements, however, financial statements for the Plan are included as part of the State of Connecticut's Annual Comprehensive Financial Report that is publicly available online at <https://www.osc.ct.gov/reports/>.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan.

**Benefits Provided**

When employees retire, the State pays up to 100% of their healthcare insurance premium cost (including dependents' coverage), depending on the plan. The State currently pays up to 20% of the cost for retiree dental insurance (including dependents' coverage) depending on the plan. In addition, the State pays 100% of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at the time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than \$10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest \$100 of coverage. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as-you-go basis through an appropriation in the State's General Fund.

**Contributions**

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and SEBAC, all employees shall pay a 3% retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. Participants of Tier I, Tier II and Tier IIA shall be required to have 10 years of actual state service to be eligible for retirement health insurance. Participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state

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service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement. Contributions made by the Authority in 2025 and 2024 totaled \$2,088,286 and \$2,683,715. Contributions made by employees in 2025 and 2024 totaled \$284,405 and \$396,390.

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

At December 31, 2025, and 2024, the Authority reported a liability of \$39,461,947 and \$56,302,927 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority’s proportion of the net OPEB liability was based on the Authority’s actuarially required contribution for the year ended June 30, 2025, relative to all other contributing employers. The Authority’s proportion was 0.248067% as of June 30, 2025.

For the year ended December 31, 2025, the Authority recognized OPEB expense of (\$5,143,826). At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ 4,046,941	\$ 8,089,251
Net difference between projected and actual earnings on OPEB plan investments		198,010
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	3,641,914	18,499,956
Employer contributions to the plan subsequent to the measurement date	1,127,341	
Difference between expected and actual experience in the total OPEB liability	<u>173,390</u>	<u>1,377,608</u>
	<u>\$ 8,989,586</u>	<u>\$ 28,164,825</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,127,341 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority’s OPEB expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ (7,269,573)
2027	(3,659,930)
2028	(3,624,444)
2029	(3,771,886)
2030	<u>(1,976,747)</u>
	<u>\$ (20,302,580)</u>

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**Actuarial Assumptions**

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using key actuarial assumptions summarized as follows:

Inflation	2.50%
Payroll growth rate	3.00%
Salary increases	3.00% to 11.50%, vary by service and retirement system
Discount rate*	5.20% for non-contributory members as of June 30, 2025 6.90% for contributory members as of June 30, 2025
Healthcare cost trend rates:	
Medical (Non-Medicare)	5.30%, 13.34% then 5.50% decreasing by 0.25% yearly to an ultimate level of 4.50% per year
Prescription drug (Non-Medicare)	5.85%, 2.41% then 6.25% decreasing by 0.25% yearly to an ultimate level of 4.50% per year
Medical and prescription drug (Medicare)	53.45%, 53.75%, 18.20% then 5.75% decreasing by 0.25% yearly to an ultimate level of 4.50% per year
Dental	2.65%, 2.70% then an ultimate level of 3.00% per year
Part B	4.50%
Administrative costs	1.85%, 3.30%, then 3.00%

\* CHFA employees are non-contributory members

Assumed rates of mortality were obtained from the Pub-2010 General, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020. These assumptions are applied to all periods included in the measurement.

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined by an actuarial analysis. The June 30, 2025, target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Market International Stock Fund	11.0	6.4
Emerging Market International Stock Fund	9.0	8.6
Core Fixed Income	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4
Total	100.0	

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**Discount Rate**

The discount rate (non-contributory members) used to measure Total OPEB Liability (TOL) was 5.20% as of June 30, 2025. Since the State funds non-contributory members on a pay-as-you-go basis, the discount rate is based on the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index.

**Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the Authority’s proportionate share of the net OPEB liability calculated using the discount rate of 5.20%, as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease 4.20%</u>	<u>Discount Rate 5.20%</u>	<u>1% Increase 6.20%</u>
Authority's proportionate share of net OPEB liability	\$ 45,733,455	\$ 39,461,947	\$ 34,291,152

**Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the Authority’s proportionate share of the net OPEB liability calculated using the current healthcare cost trend rate as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Authority's proportionate share of net OPEB liability	\$ 33,402,215	\$ 39,461,947	\$ 46,943,803

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

The Authority is a party to financial instruments with risk in connection with its commitments to provide financing that is not included in the statement of net position. These expose the Authority to credit risk in excess of the amount recognized on the statement of net position. The Authority’s exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of those instruments. The Authority uses the same credit policies in making commitments and conditional obligations as it does for instruments that are included in the statement of net position.

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Total credit exposure is summarized below (in 000's):

	<u>2025</u>	<u>2024</u>
Home Mortgage Program Purchases	\$ 234,845	\$ 193,545
Multifamily Development Loans	171,918	161,310
Reverse Annuity Mortgage	-	3
Emergency Mortgage Assistance (EMAP)	2,170	1,588
Time to Own (TTO)	4,571	2,942
Zero-16 End Homelessness Initiative	<u>1,250</u>	<u>1,750</u>
	<u>\$ 414,754</u>	<u>\$ 361,138</u>

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Authority evaluates each borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Authority upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held is primarily residential and multifamily properties. Interest rates on approved mortgage loan commitments are fixed.

CHFA has funds committed for initiatives other than mortgage loans.

CHFA is involved in certain litigation and disputes incidental to its operations. Because it is generally difficult to predict the outcome of lawsuits, CHFA cannot give any assurance as to the outcome of such litigation. Based on the information it presently possesses, however, it is management's judgment that such litigation will not have a material adverse impact upon the financial condition of the Authority.

The Authority offers mortgage insurance through the CHFA Insurance Fund. CHFA mortgage insurance is permitted on a case-by-case basis when FHA insurance and VA guarantees are not available and PMI insurance is either not available for the home or has been declined for a reason that would not prevent CHFA from issuing an insurance commitment. The CHFA Insurance Fund receives annual premiums from participating borrowers. The accumulation of these premiums is used to fund any claims. Premiums are collected until the LTV reaches certain thresholds which at such time the insurance coverage is terminated. As of December 31, 2025 and December 31, 2024, the Authority had \$5,245,000 and \$5,839,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2025 and 2024, there were no claims paid from the CHFA Insurance Fund.

**NOTE 16 – GRANT PROGRAMS**

Pursuant to Public Act No. 05-228 (CIA), the Authority was receiving a 25% distribution of funds held in the State of Connecticut's land protection, affordable housing and historic preservation account for the purpose of supplementing new or existing affordable housing programs. Effective May 28, 2014, and pursuant to Public Act No. 14-45 passed on said date, distribution of these funds was redirected to the State of Connecticut's Department of Housing. The Authority is currently spending down the funds received in prior years.

The rights of certain property owners are protected in Connecticut foreclosure actions by § 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Payment ("EMAP") Program. These provisions allow homeowners the opportunity to avoid foreclosure

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by enabling them to obtain financial assistance from the State, acting through the Authority. A qualified homeowner may obtain funds under this program to bring a delinquent mortgage current and may also obtain assistance with subsequent mortgage payments to a maximum period of 60 months. The program is governed by the relevant statutes and pursuant to a memorandum of understanding between the Authority and the State of Connecticut, Office of Policy and Management. Unspent funds are held by the Authority in escrow until expended on the program. Only when funds are spent are they recognized as program revenue and expenses. During 2011, the Authority issued \$20,000,000 in conduit debt under its Special Needs Indenture in support of the EMAP Program. Debt service on these bonds is paid by the State of Connecticut.

In 2025 and 2024, the Authority received \$337,000 and \$222,000, respectively, in Comprehensive Counseling ("CC") grant funds from the U.S. Department of Housing and Urban Development; the purpose being to provide counseling and advice to tenants and homeowners to assist them in improving their housing conditions and fulfilling the responsibilities of tenancy or homeownership. The funds were made available through Section 106 of the Housing and Urban Development Act of 1968 and Section 4 of the Department of Housing and Urban Development Act as amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the use of which is subject to the terms and conditions of the grant agreement.

The Qualified Energy Conservation Bond ("QECB") program was established under the Economic Stabilization Act of 2008 ("Act") and is governed by certain provisions of the Internal Revenue Code of 1986, as amended ("Code"). Pursuant to the Act and Code, QECBs are qualified tax credit bonds where the U.S. Treasury subsidizes a portion of the bond interest payment equal to 70% of the tax credit bond rate, subject to sequestration. The interest subsidy due or received in 2025 and 2024 was \$162,000 and \$175,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative back in 2016. In furtherance of reaching this goal, the Authority committed to contributing \$5,000,000 over ten years to fund supportive housing rental subsidies. The funding is to be made first from State funds on hand resulting from CHFA's administration of the State's supportive housing program. Once the designated State funds are exhausted, Financing Adjustment Factor (FAF) funds obtained from an agreement between the Authority and U.S. Department of Housing and Urban Development (HUD) will be used to fund the balance of the subsidy. In 2025 and 2024, the Authority funded \$500,000 each year towards this commitment. \$1.25 million remains committed to be spent on this program in future years.

The Authority maintains a Small Multifamily Lending Program (the SML Program) which provides loans through community development financial institutions for the acquisition, rehabilitation or long-term financing of small multifamily properties having 3 to 20 units. The State of Connecticut Office of Policy and Management (OPM) has partnered with CHFA to promote the SML Program, with a focus on providing loans in areas near transit stations and in neighborhoods served by public transportation. The program was recapitalized in 2025; providing for the Authority to fund up to \$10 million from multiple funding sources, \$2 million of which is matching funds contributed from OPM. The Authority and OPM each contributed \$2,000,000 to recapitalize the program during 2025.

Section 3206 of the American Rescue Plan Act of 2021, authorized the U.S. Department of the Treasury to help mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities under the Homeowner Assistance Fund Program (HAF). Program funds were used to assist qualified applicants with payment of delinquent mortgage payments including principal, interest, taxes and other costs the loan servicers incurred to bring the loan current. The Authority received \$12,314,000 in HAF funds during 2021. In 2022, \$110,823,000 in additional grant funds were received. Under current guidelines, the program will run through September 30, 2026 or until funds are exhausted.

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One of the significant obstacles to homeownership is a potential homebuyer’s inability to cover the down payment and closing costs required to purchase a home. To address this obstacle, in December 2021, the Connecticut State Bond Commission allocated \$20,000,000 to the Connecticut Department of Housing (DOH) to create a First Time Homebuyers Assistance Program (“Program”). DOH in turn requested the Authority to administer and implement the Program on their behalf. The Program was named “Time to Own (TTO)” and provides downpayment assistance to eligible applicants. The first \$155,000,000 in Program funds provided assistance of up to 25% of the cost of a home, up to a maximum of \$50,000. The Program was modified in 2024 to provide assistance of up to 25% of the cost of a home, up to a maximum of \$25,000. Program loans are non-amortizing (deferred), with a 10-year term and a 0% interest rate. 10% of the loan balance is forgiven on each anniversary of the loan closing until fully forgiven. The program has received a total funding commitment of \$280,000,000, all but \$25,000,000 of which was received through December 31, 2025.

The Authority manages a Down Payment Assistance Program (DAP) that helps single family borrowers purchase their first home. The DAP allows first time homebuyers access to additional assistance in the form of a 2<sup>nd</sup> mortgage loan to help cover down payment and closing costs. During 2024, the Authority received \$9,000,000 from the State of Connecticut to further capitalize the program. The Authority funded 818 DAP loans during 2025 with an average loan of approximately \$12,000 per borrower.

The United States Treasury’s Community Development Financial Institutions Fund created the Capital Magnet Fund Program (CMF Program) in order to spur investment in affordable housing and related economic development efforts to revitalize neighborhoods across the country by serving low-income families and communities. During 2024, the Authority was awarded a \$2,000,000 grant from the CMF Program. CHFA committed to contribute \$2,000,000 in matching funds. The \$4,000,000 in total funds were used to capitalize the Affordable Housing Fund. Affordable Housing Program funds are to be used to support the creation of deeply affordable housing units in the Low-Income Housing Tax Credit Program.

Activity under these programs for the years ended December 31, 2025 and 2024 is summarized below (in 000’s):

	<u>2025 Program Funding</u>	<u>2025 Program Expenses</u>	<u>Net</u>
PA 05-228	\$	\$ 110	\$ (110)
EMAP	1,255	1,255	
CC	337	337	
QECB	162	162	
ZERO 16		500	(500)
SML PROGRAM	2,000		2,000
HAF	1,039	1,039	
TIME TO OWN	65,058	65,058	
	<u>\$ 69,851</u>	<u>\$ 68,461</u>	<u>\$ 1,390</u>

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	<u>2024 Program Funding</u>	<u>2024 Program Expenses</u>	<u>Net</u>
EMAP	\$ 815	\$ 815	\$
CC	222	222	
QECB	175	175	
ZERO 16		500	(500)
HAF	11,303	11,303	
TIME TO OWN	77,684	77,684	
DAP	9,000		9,000
CAPITAL MAGNET	2,000		2,000
	<u>\$ 101,199</u>	<u>\$ 90,699</u>	<u>\$ 10,500</u>

**NOTE 17 - RISK MANAGEMENT**

The Authority is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There are no pending claims against the Authority as of December 31, 2025. There have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

**NOTE 18 - SUBSEQUENT EVENTS**

On January 27, 2026, the Authority entered into a new swap agreement with JPMorgan Chase Bank, N.A. to partially hedge 2026 Series A, Subseries A-3 variable rate bonds. The terms include an effective date of February 12, 2026, with an initial notional balance of \$64,000,000. The swap has a par termination option that can be exercised beginning 2034 through the 2052 termination date. The Authority pays 3.162% fixed and receives 63% of Daily SOFR plus a spread of 14 basis points.

On December 18, 2025, the State of Connecticut Bond Commission approved additional funding totaling \$25,000,000 to recapitalize the Time to Own Program due to high demand. On January 29, 2026, the Authority received the allocation from the State.

On February 12, 2026, the Authority issued 2026 Series A fixed rate and variable rate bonds in the amount of \$369,760,000 under the Bond Resolution. The bond proceeds were used to partially pay down the Wells Fargo line of credit and to fund the purchase of single-family whole loans and mortgage-backed securities. On the same date, CHFA entered into a Standby Bond Purchase Agreement with Bank of America, N.A., to secure the liquidity needs for 2026 Series A, Subseries A-3 in the principal balance of \$80,000,000. Additionally, CHFA entered into a Remarketing Agreement with BofA Securities, Inc. to perform the remarketing of 2026 Series A, Subseries A-3.

On February 17, 2026, the Authority redeemed \$25,965,000 of various series of outstanding bonds held under the Bond Resolution.

**CONNECTICUT HOUSING FINANCE AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
CONNECTICUT STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)  
LAST TEN YEARS**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Proportion of the net pension liability	0.19205%	0.25384%	0.20227%	0.22723%	0.30512%	0.29711%	0.33545%	0.31308%	0.31830%	0.30322%
Proportionate share of the net pension liability	\$ 32,220,285	\$ 48,149,784	\$ 41,959,538	\$ 50,110,693	\$ 64,880,119	\$ 70,480,100	\$ 76,523,904	\$ 67,896,479	\$ 67,069,565	\$ 69,628,178
Covered payroll	\$ 16,515,801	\$ 15,832,382	\$ 14,597,232	\$ 14,222,906	\$ 12,950,455	\$ 13,160,654	\$ 13,226,621	\$ 13,256,124	\$ 13,305,309	\$ 12,735,488
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	195.09%	304.12%	287.45%	352.32%	500.99%	535.54%	578.56%	512.19%	504.08%	546.73%
Plan fiduciary net position as of percentage of total pension liability	61.53%	55.75%	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%

**CONNECTICUT HOUSING FINANCE AUTHORITY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CONNECTICUT STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 5,649,161	\$ 6,628,002	\$ 6,597,741	\$ 6,474,089	\$ 5,452,202	\$ 4,802,267	\$ 5,294,507	\$ 4,517,904	\$ 4,909,189	\$ 4,553,783
Amount contributed in relation to contractually required contribution	5,649,161	6,628,002	6,597,741	6,474,089	5,452,202	4,802,267	5,294,507	4,517,904	4,909,189	4,553,783
Contribution deficiency	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,515,801	15,832,382	\$ 14,597,232	\$ 14,222,906	\$ 12,950,455	\$ 13,160,654	\$ 13,226,621	\$ 13,256,124	\$ 13,305,309	\$ 12,735,488
Contributions as a percentage of covered employee payroll	34.20%	41.86%	45.20%	45.52%	42.10%	36.49%	40.03%	34.08%	36.90%	35.76%

**Notes to Schedule**

*Changes in assumptions:*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Investment rate of return (net of pension plan investment expense, including inflation)	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
Salary increases	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%
Cost of living adjustments	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	2.25% - 3.25%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

**CONNECTICUT HOUSING FINANCE AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
LAST TEN YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net OPEB liability	0.248067%	0.348592%	0.366272%	0.330831%	0.320431%	0.349907%	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	\$ 39,461,947	\$ 56,302,927	\$ 52,122,667	\$ 51,272,846	\$ 77,331,488	\$ 82,371,279	\$ 78,547,288	\$ 63,147,471	\$ 67,722,049	\$ 65,649,161
Covered payroll	\$ 16,515,801	\$ 15,832,382	\$ 14,597,232	\$ 14,222,906	\$ 12,950,455	\$ 13,160,654	\$ 13,226,621	\$ 13,256,124	\$ 13,305,309	\$ 12,735,488
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	238.93%	355.62%	357.07%	360.49%	597.13%	625.89%	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	18.24%	16.22%	15.79%	12.63%	8.35%	6.13%	5.99%	4.69%	3.03%	1.94%

**CONNECTICUT HOUSING FINANCE AUTHORITY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
EMPLOYEES' OTHER POST EMPLOYEMENT BENEFIT PLAN  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,088,286	\$ 2,683,715	\$ 3,115,192	\$ 2,805,206	\$ 2,781,565	\$ 3,034,471	\$ 3,152,196	\$ 2,933,060	\$ 2,603,173	\$ 2,317,169
Amount contributed in relation to contractually required contribution	2,088,286	2,683,715	3,115,192	2,805,206	2,781,565	3,034,471	3,152,196	2,933,060	2,603,173	2,317,169
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,515,801	\$ 15,832,382	\$ 14,597,232	\$ 14,222,906	\$ 12,950,455	\$ 13,160,654	\$ 13,226,621	\$ 13,256,124	\$ 13,305,309	\$ 12,735,488
Contributions as a percentage of covered employee payroll	12.64%	16.95%	21.34%	19.72%	21.48%	23.06%	23.83%	22.13%	19.56%	18.19%

**Notes to Schedule**

*Changes in assumptions:*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Payroll growth rate	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%
Salary increases	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.00% - 11.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%
Discount rate	5.20%	3.93%	4.46%	3.90%	2.31%	2.38%	3.58%	3.95%	3.68%	3.74%
Health care cost trend rates:										
Medical			6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	5.00%
Prescription drug			6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	10.0% graded to 5.0% over 5 years
Dental Part B	2.65%, 2.70% then an ultimate level of 3.0% per year									
Dental and Part B Administrative expense	4.50%									
Medical (Non-Medicare)	1.85%, 3.30% then 3.0%	2.6% to 3.0%/ 4.5%	3.0% / 4.5%	3.0% / 4.5%	3.0% / 4.5%	3.0% / 4.5%	4.50%	4.50%	4.50%	5.00%
Prescription Drug (Non-Medicare)	1.85%, 3.30% then 3.0%	1.85%, 3.30% then 3.0%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	\$250 per participant
Medical (Non-Medicare)	5.30%, 13.34% then 5.50% decreasing by 0.25% yearly to 4.50%	-0.35%, then 5.75% decreasing by 0.25% yearly to 4.50%								
Prescription Drug (Non-Medicare)	5.85%, 2.41% then 6.25% decreasing by 0.25% yearly to 4.50%	2.35%, then 6.50% decreasing by 0.25% yearly to 4.50%								
Medical and Prescription Drug (Medicare)	53.45%, 53.75%, 18.20% then 5.75% decreasing by 0.25% yearly to 4.50%	43.03%, 60.47%, 24.36% then 5.75% decreasing by 0.25% yearly to 4.50%								

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**COMBINING SCHEDULE OF NET POSITION**  
**DECEMBER 31, 2025**  
**(in 000's)**

	Other Funds						Component Units		Combined Total
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Housing Revenue Bond Fund	Multifamily Real Estate Owned	Eliminations	
<b>Assets</b>									
Restricted current assets:									
Cash and cash equivalents	\$ 992	\$	\$	\$ 110	\$	\$	\$	\$	\$ 1,102
Mortgage loans receivable	196,285		482	5,903	508				203,178
Investments in securities	1,004,816	4,342	4,582	89,020	1,363	2,525	1,641		1,108,289
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	10,163		75	414	13				10,665
Securities	19,728	15	15	297		119	5		20,179
Due from other funds/component units	2,300							(2,300)	
Accounts receivable and other assets	71,011			825		37,587	704		110,127
Total current assets	<u>1,305,295</u>	<u>4,357</u>	<u>5,154</u>	<u>96,569</u>	<u>1,884</u>	<u>40,231</u>	<u>4,650</u>	<u>(2,300)</u>	<u>1,455,840</u>
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,347,699		21,809	51,730	5,262				2,426,500
Investments in securities, net of current portion	4,123,781			814		62,754			4,187,349
Derivative instruments - interest rate swaps	48,906								48,906
Capital assets, net of depreciation	3,289								3,289
Real estate owned - single family	471								471
Total noncurrent assets	<u>6,524,146</u>	<u></u>	<u>21,809</u>	<u>52,544</u>	<u>5,262</u>	<u>62,754</u>	<u></u>	<u></u>	<u>6,666,515</u>
Total assets	<u>7,829,441</u>	<u>4,357</u>	<u>26,963</u>	<u>149,113</u>	<u>7,146</u>	<u>102,985</u>	<u>4,650</u>	<u>(2,300)</u>	<u>8,122,355</u>
<b>Deferred Outflows of Resources</b>									
Unamortized deferral on bond refundings	40,175								40,175
Deferred amount for OPEB	8,990								8,990
Deferred amount for pensions	10,795								10,795
Total deferred outflows of resources	<u>59,960</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>59,960</u>
<b>Liabilities</b>									
Current liabilities:									
Escrow deposits and unearned revenue	126,974		602	7,915	583				136,074
Due to other funds/component units							2,300	(2,300)	
Accrued interest payable	31,033		40	79	25	925			32,102
Accounts payable and accrued liabilities	3,618		3	896			170		4,687
Compensated absences	2,275								2,275
Line of credit payable	153,594								153,594
Notes payable	438								438
Bonds payable	333,487		600	3,320	517	265			338,189
Total current liabilities	<u>651,419</u>	<u></u>	<u>1,245</u>	<u>12,210</u>	<u>1,125</u>	<u>1,190</u>	<u>2,470</u>	<u>(2,300)</u>	<u>667,359</u>
Noncurrent liabilities:									
Escrow deposits and unearned revenue, net of current portion	151,798		976	34,336		38,888			225,998
Compensated absences	1,291								1,291
Notes payable, net of current portion	13,806								13,806
Bonds payable, net of current portion	5,867,739		20,290	48,620	5,146	64,082			6,005,877
Net OPEB liability	39,462								39,462
Net pension liability	32,220								32,220
Total noncurrent liabilities	<u>6,106,316</u>	<u></u>	<u>21,266</u>	<u>82,956</u>	<u>5,146</u>	<u>102,970</u>	<u></u>	<u></u>	<u>6,318,654</u>
Total liabilities	<u>6,757,735</u>	<u>4,357</u>	<u>22,511</u>	<u>95,166</u>	<u>6,271</u>	<u>104,160</u>	<u>2,470</u>	<u>(2,300)</u>	<u>6,986,013</u>
<b>Deferred Inflows of Resources</b>									
Deferred amount for OPEB	28,165								28,165
Deferred amount for pensions	16,405								16,405
Derivative financial Instruments	194,693								194,693
Total deferred inflows of resources	<u>239,263</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>239,263</u>
<b>Net Position</b>									
Net investment in capital assets	3,289								3,289
Restricted by contractual agreements	72,910								72,910
Restricted by bond indentures and/or enabling legislation	816,204	4,357	4,452	53,947	875	(1,175)	2,180		880,840
<b>Total Net Position</b>	<u>\$ 892,403</u>	<u>\$ 4,357</u>	<u>\$ 4,452</u>	<u>\$ 53,947</u>	<u>\$ 875</u>	<u>\$ (1,175)</u>	<u>\$ 2,180</u>	<u>\$</u>	<u>\$ 957,039</u>

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**COMBINING SCHEDULE OF NET POSITION**  
**DECEMBER 31, 2024**  
(in 000's)

	Other Funds					Component Units		Combined Total
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	
<b>Assets</b>								
Restricted current assets:								
Cash and cash equivalents	\$ 1,258	\$	\$	35	\$	\$	\$	1,293
Mortgage loans receivable	150,942		813	5,815	487			158,057
Investments in securities	1,012,458	4,153	7,883	87,041	1,273	1,515		1,114,323
Real estate owned - multifamily						2,300		2,300
Accrued interest receivable on:								
Mortgage loans	8,332		183	350	19			8,884
Securities	16,206	16	31	351		6		16,610
Due from other funds/component units	2,419						(2,419)	
Accounts receivable and other assets	91,243			789		625		92,657
<b>Total current assets</b>	<b>1,282,858</b>	<b>4,169</b>	<b>8,910</b>	<b>94,381</b>	<b>1,779</b>	<b>4,446</b>	<b>(2,419)</b>	<b>1,394,124</b>
Restricted noncurrent assets:								
Mortgage loans receivable, net of current portion	2,284,860		44,991	51,686	5,786			2,387,323
Investments in securities, net of current portion	3,198,779			875				3,199,654
Derivative instruments - interest rate swaps	57,536							57,536
Capital assets, net of depreciation	3,621							3,621
Real estate owned - single family	1,235							1,235
<b>Total noncurrent assets</b>	<b>5,546,031</b>		<b>44,991</b>	<b>52,561</b>	<b>5,786</b>			<b>5,649,369</b>
<b>Total assets</b>	<b>6,828,889</b>	<b>4,169</b>	<b>53,901</b>	<b>146,942</b>	<b>7,565</b>	<b>4,446</b>	<b>(2,419)</b>	<b>7,043,493</b>
<b>Deferred Outflows of Resources</b>								
Unamortized deferral on bond refundings	46,700							46,700
Deferred amount for OPEB	15,251							15,251
Deferred amount for pensions	14,718							14,718
<b>Total deferred outflows of resources</b>	<b>76,669</b>							<b>76,669</b>
<b>Liabilities</b>								
Current liabilities:								
Escrow deposits and unearned revenue	111,612		1,222	7,131	583			120,548
Due to other funds/component units			119			2,300	(2,419)	
Accrued interest payable	25,227		42	83	27			25,379
Accounts payable and accrued liabilities	3,385		9	874		152		4,420
Compensated absences	2,167							2,167
Line of credit payable	224,999							224,999
Notes payable	118							118
Bonds payable	318,930		929	3,250	500			323,609
<b>Total current liabilities</b>	<b>686,438</b>		<b>2,321</b>	<b>11,338</b>	<b>1,110</b>	<b>2,452</b>	<b>(2,419)</b>	<b>701,240</b>
Noncurrent liabilities								
Escrow deposits and unearned revenue, net of current portion	138,523		2,217	34,761				175,501
Compensated absences	931							931
Notes payable, net of current portion	3,858							3,858
Bonds payable, net of current portion	5,026,274		45,175	52,625	5,663			5,129,737
Net OPEB liability	56,303							56,303
Net pension liability	48,150							48,150
<b>Total noncurrent liabilities</b>	<b>5,274,039</b>		<b>47,392</b>	<b>87,386</b>	<b>5,663</b>			<b>5,414,480</b>
<b>Total liabilities</b>	<b>5,960,477</b>		<b>49,713</b>	<b>98,724</b>	<b>6,773</b>	<b>2,452</b>	<b>(2,419)</b>	<b>6,115,720</b>
<b>Deferred Inflows of Resources</b>								
Deferred amount for OPEB	24,856							24,856
Deferred amount for pensions	11,758							11,758
Derivative financial Instruments	203,322							203,322
<b>Total deferred inflows of resources</b>	<b>239,936</b>							<b>239,936</b>
<b>Net Position</b>								
Net investment in capital assets	3,621							3,621
Restricted by contractual agreements	78,995							78,995
Restricted by bond indentures and/or enabling legislation	622,529	4,169	4,188	48,218	792	1,994		681,890
<b>Total Net Position</b>	<b>\$ 705,145</b>	<b>\$ 4,169</b>	<b>\$ 4,188</b>	<b>\$ 48,218</b>	<b>\$ 792</b>	<b>\$ 1,994</b>	<b>\$</b>	<b>\$ 764,506</b>

CONNECTICUT HOUSING FINANCE AUTHORITY  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (in 000's)

	Other Funds						Component	Eliminations	Combined Total
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Housing Revenue Bond Fund	Multifamily Real Estate Owned		
<b>Operating Revenues</b>									
Interest on mortgage loans	\$ 121,414		1,803	3,356	171			\$ 126,744	
Interest on investments	206,321	184	253	2,113		935	66	208,753	
Fees and other income	25,620	4		84			120	25,828	
Total operating revenues	<u>353,355</u>	<u>188</u>	<u>2,056</u>	<u>5,553</u>	<u>171</u>	<u>935</u>	<u>186</u>	<u>361,325</u>	
<b>Operating Expenses</b>									
Interest	224,601		1,613	1,821	88	925		227,929	
Bond issuance costs	10,264						(1,119)	10,264	
Servicer fees	29,003							29,003	
Administrative	40,387							40,387	
Provision for loss reserves	8,067							8,067	
Total operating expenses	<u>312,322</u>		<u>1,613</u>	<u>1,821</u>	<u>88</u>	<u>925</u>		<u>315,650</u>	
<b>Operating Income</b>	<u>41,033</u>	<u>188</u>	<u>443</u>	<u>3,732</u>	<u>83</u>	<u>10</u>	<u>186</u>	<u>45,675</u>	
<b>Nonoperating Revenues (Expenses)</b>									
Actuarial assumption changes pension and OPEB	14,630							14,630	
Net increase in the fair value of investments	132,009			14		(1,185)		130,838	
State and federal program funding	68,434			1,255	162			69,851	
State and federal program expenses	(67,044)			(1,255)	(162)			(68,461)	
Nonoperating loss	<u>148,029</u>			<u>14</u>		<u>(1,185)</u>		<u>146,858</u>	
<b>Income (Loss) before Transfers</b>	<u>189,062</u>	<u>188</u>	<u>443</u>	<u>3,746</u>	<u>83</u>	<u>(1,175)</u>	<u>186</u>	<u>192,533</u>	
<b>Operating Transfers In (Out)</b>	<u>(1,804)</u>		<u>(179)</u>	<u>1,983</u>					
<b>Change in Net Position</b>	<u>187,258</u>	<u>188</u>	<u>264</u>	<u>5,729</u>	<u>83</u>	<u>(1,175)</u>	<u>186</u>	<u>192,533</u>	
<b>Net Position - Beginning of Year</b>	<u>705,145</u>	<u>4,169</u>	<u>4,188</u>	<u>48,218</u>	<u>792</u>		<u>1,994</u>	<u>764,506</u>	
<b>Net Position - End of Year</b>	<u>\$ 892,403</u>	<u>\$ 4,357</u>	<u>\$ 4,452</u>	<u>\$ 53,947</u>	<u>\$ 875</u>	<u>\$ (1,175)</u>	<u>\$ 2,180</u>	<u>\$ 957,039</u>	

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(in 000's)

	Other Funds					Component	Eliminations	Combined Total
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned		
<b>Operating Revenues</b>								
Interest on mortgage loans	\$ 109,343		2,152	3,416	182			\$ 115,093
Interest on investments	162,121	213	291	2,377		72	(1,351)	163,723
Fees and other income	22,419	7				209		22,635
Total operating revenues	<u>293,883</u>	<u>220</u>	<u>2,443</u>	<u>5,793</u>	<u>182</u>	<u>281</u>	<u>(1,351)</u>	<u>301,451</u>
<b>Operating Expenses</b>								
Interest	181,621		1,858	1,891	95		(1,351)	184,114
Bond issuance costs	10,113							10,113
Servicer fees	27,809							27,809
Administrative	38,404							38,404
Provision for loss reserves	4,540							4,540
Total operating expenses	<u>262,487</u>		<u>1,858</u>	<u>1,891</u>	<u>95</u>		<u>(1,351)</u>	<u>264,980</u>
<b>Operating Income</b>	<u>31,396</u>	<u>220</u>	<u>585</u>	<u>3,902</u>	<u>87</u>	<u>281</u>		<u>36,471</u>
<b>Nonoperating Revenues (Expenses)</b>								
Actuarial assumption changes pension and OPEB	7,001							7,001
Net decrease in the fair value of investments	(62,186)			(27)				(62,213)
State and federal program funding	100,209			815	175			101,199
State and federal program expenses	(89,709)			(815)	(175)			(90,699)
Nonoperating loss	<u>(44,685)</u>			<u>(27)</u>				<u>(44,712)</u>
<b>Income (Loss) before Transfers</b>	<u>(13,289)</u>	<u>220</u>	<u>585</u>	<u>3,875</u>	<u>87</u>	<u>281</u>		<u>(8,241)</u>
<b>Operating Transfers In (Out)</b>	<u>(1,934)</u>		<u>(183)</u>	<u>2,117</u>				
<b>Change in Net Position</b>	<u>(15,223)</u>	<u>220</u>	<u>402</u>	<u>5,992</u>	<u>87</u>	<u>281</u>		<u>(8,241)</u>
<b>Net Position - Beginning of Year</b>	<u>720,368</u>	<u>3,949</u>	<u>3,786</u>	<u>42,226</u>	<u>705</u>	<u>1,713</u>		<u>772,747</u>
<b>Net Position - End of Year</b>	<u>\$ 705,145</u>	<u>\$ 4,169</u>	<u>\$ 4,188</u>	<u>\$ 48,218</u>	<u>\$ 792</u>	<u>\$ 1,994</u>		<u>\$ 764,506</u>

**Headquarters**

280 Trumbull Street, 24th Floor  
Hartford, CT 06103  
860.522.3111

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One Hamden Center  
2319 Whitney Avenue, Suite 2A  
Hamden, CT 06518  
203.397.2525

14 Bobala Road, 3rd Floor  
Holyoke, MA 01040  
413.536.3970

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**WAdvising.com**