



**UNAUDITED FINANCIAL
INFORMATION**

December 31, 2025

I, Michell Bosch, hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief. The enclosed unaudited financial statements were prepared in accordance with GAAP.

Michell Bosch
Signature

February 27, 2025
Date

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TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF NET POSITION
(Expressed in Thousands)
(Unaudited)

December 31, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2025
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 112,923	\$ 23,523	\$ 119	\$ 627,492	\$ 764,057
Investments	-	-	1,250	45,577	46,827
Investment in Real Estate Owned (REO) properties	-	-	-	5,497	5,497
Receivables:					
Accounts	10,613	70	27	2,913	13,623
Interest	20	-	198	19,904	20,122
Loans held for resale	5,821	-	-	-	5,821
First and second mortgage loans	-	2,619	1,657	80,285	84,561
Due from federal government	34,223	-	-	-	34,223
Due from other state funds	46	-	-	-	46
Due from other funds	-	-	-	30,463	30,463
Total current assets	163,646	26,212	3,251	812,131	1,005,240
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	14,075	-	3,768	5,919	23,762
Investments	-	-	2,140	105,263	107,403
Investment interest receivable	-	-	14	659	673
Investments	-	-	2,074	403,906	405,980
First mortgage loans receivable	8	48,095	33,918	3,022,303	3,104,324
Allowance for non-performing first mortgage loans	-	(4)	(1)	(620)	(625)
Second mortgage loans receivable	-	-	-	137,252	137,252
Allowance for uncollectable second mortgages	-	-	-	(5,214)	(5,214)
Unamortized service release premium of in-house mortgages	2,209	-	-	25,530	27,739
Unearned service release premium	3,634	-	-	-	3,634
Advance to local government	3,146	-	-	-	3,146
Allowance for doubtful accounts	(3,146)	-	-	-	(3,146)
Net pension asset	-	-	-	-	-
Net OPEB asset	128	-	-	-	128
Capital assets:					
Furniture and equipment	16,058	-	-	-	16,058
Less accumulated depreciation	(12,864)	-	-	-	(12,864)
Total noncurrent assets	23,248	48,091	41,913	3,694,998	3,808,250
Total assets	186,894	74,303	45,164	4,507,129	4,813,490
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refundings	-	-	-	21	21
Deferred outflows related to pensions	3,902	-	-	-	3,902
Deferred outflows related to OPEB	228	-	-	-	228
Deferred outflows related to defeased bonds	-	-	-	802	802
Total deferred outflows of resources	4,130	-	-	823	4,953

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF NET POSITION
(Expressed in Thousands)
(Unaudited)

December 31, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2025
LIABILITIES					
Current liabilities:					
Accounts payable	2,138	11	-	142	2,291
Accrued payroll and related liabilities	1,129	-	-	-	1,129
Compensated absences	1,583	-	-	-	1,583
Interest payable	16	-	476	77,372	77,864
Prepayments on mortgage loans	-	-	20	2,038	2,058
Line of credit payable	9,605	-	-	-	9,605
Due to other funds	30,463	-	-	-	30,463
Bonds payable	-	-	2,575	143,525	146,100
Total current liabilities	44,934	11	3,071	223,077	271,093
Noncurrent liabilities:					
Bonds payable	-	-	24,897	3,673,783	3,698,680
Compensated absences	4,016	-	-	-	4,016
Net pension liability	2,107	-	-	-	2,107
Escrow deposits	21,404	72	-	5	21,481
Arbitrage rebate payable	-	-	-	1,944	1,944
Unearned revenue	106,437	883	-	15,958	123,278
Total noncurrent liabilities	133,964	955	24,897	3,691,690	3,851,506
Total liabilities	178,898	966	27,968	3,914,767	4,122,599
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,100	-	-	-	1,100
Deferred inflows related to OPEB	1,461	-	-	-	1,461
Total deferred inflows of resources	2,561	-	-	-	2,561
NET POSITION					
Investment in capital assets	3,193	-	-	-	3,193
Restricted for single family bond programs	-	12,269	17,196	593,185	622,650
Restricted for grant programs	-	25,665	-	-	25,665
Restricted for Homebuyers Revolving Loan Program	3,154	-	-	-	3,154
Restricted for net OPEB asset	128	-	-	-	128
Unrestricted	3,090	35,403	-	-	38,493
Total net position	\$ 9,565	\$ 73,337	\$ 17,196	\$ 593,185	\$ 693,283

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(Expressed in Thousands)
(Unaudited)

For the Six Months Ended December 31, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2025
OPERATING REVENUES					
Mortgage interest income	\$ 283	\$ 45	\$ 851	\$ 76,210	\$ 77,389
Investment income:					
Interest	1,034	191	131	19,007	20,363
Net increase in the fair value of investments	-	93	43	10,812	10,948
Federal grant administration fees	12,208	-	-	-	12,208
Fees and other income	15,962	207	12	-	16,181
Total operating revenues	29,487	536	1,037	106,029	137,089
OPERATING EXPENSES					
Salaries and benefits	18,131	-	-	-	18,131
Contractual services	9,012	-	-	-	9,012
Materials and supplies	1,426	-	-	-	1,426
Rentals and insurance	19	-	-	-	19
Other administrative expenses	271	-	-	-	271
Other program expenses	3,335	3	-	1,488	4,826
Interest expense	88	-	415	69,336	69,839
Issuance costs	-	-	-	1,393	1,393
Amortization: service release premium	38	-	-	-	38
Total operating expenses	32,320	3	415	72,217	104,955
Operating income (loss)	(2,833)	533	622	33,812	32,134
NONOPERATING REVENUES (EXPENSES)					
Federal grants revenue	247,467	-	-	-	247,467
Federal grants expenses	(247,281)	-	-	-	(247,281)
Local grants expenses	(3,997)	-	-	-	(3,997)
Total nonoperating revenues (expenses)	(3,811)	-	-	-	(3,811)
Income (loss) before transfers	(6,644)	533	622	33,812	28,323
Transfers to other funds	-	(6,250)	(152)	-	(6,402)
Transfers from other funds	283	-	-	6,119	6,402
Change in net position	(6,361)	(5,717)	470	39,931	28,323
Total net position, July 1	15,926	79,054	16,726	553,254	664,960
Total net position, End of Period	\$ 9,565	\$ 73,337	\$ 17,196	\$ 593,185	\$ 693,283

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF CASH FLOWS
(Expressed in Thousands)
(Unaudited)

For the Six Months Ended December 31, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2025
Cash flows from operating activities:					
Receipts from customers	\$ -	\$ 2,274	\$ 3,233	\$ 217,647	\$ 223,154
Receipts from federal government	11,260	-	-	-	11,260
Receipts from other funds	2	-	-	-	2
Other miscellaneous receipts	15,962	207	12	-	16,181
Acquisition of mortgage loans	-	-	-	(185,203)	(185,203)
Payments to suppliers	(62,763)	(1)	-	(2,195)	(64,959)
Payments to primary government	(100)	-	-	-	(100)
Payments to other funds	-	-	-	(2)	(2)
Payments to or for employees	(18,369)	-	-	-	(18,369)
Net cash provided (used) by operating activities	(54,008)	2,480	3,245	30,247	(18,036)
Cash flows from non-capital financing activities:					
Operating grants received	270,192	-	-	-	270,192
Transfers in (out)	283	(6,250)	(152)	6,119	-
Proceeds from sale of bonds	-	-	-	268,820	268,820
Operating grants paid	(266,793)	-	-	-	(266,793)
Cost of issuance paid	-	-	-	(1,393)	(1,393)
Principal payments	-	-	(3,745)	(331,075)	(334,820)
Interest paid	(91)	-	(544)	(74,490)	(75,125)
Net cash provided (used) by non-capital financing activities	3,591	(6,250)	(4,441)	(132,019)	(139,119)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	1,225	6,683	351,086	358,994
Purchases of investments	-	-	(5,465)	(120,675)	(126,140)
Investment interest received	1,034	191	124	19,794	21,143
Increase in fair value of investments subject to fair value reporting and classified as cash equivalents	-	90	22	6,001	6,113
Net cash provided by investing activities	1,034	1,506	1,364	256,206	260,110
Net increase (decrease) in cash and cash equivalents	(49,383)	(2,264)	168	154,434	102,955
Cash and cash equivalents, July 1	176,381	25,787	3,719	478,977	684,864
Cash and cash equivalents, December 31	\$ 126,998	\$ 23,523	\$ 3,887	\$ 633,411	\$ 787,819

TENNESSEE HOUSING DEVELOPMENT AGENCY
SCHEDULES OF CASH FLOWS (cont.)
(Expressed in Thousands)
(Unaudited)

For the Six Months Ended December 31, 2025

	Operating Group	Mortgage Finance Program	Housing Finance Program Bonds	Residential Finance Program Bonds	Total 12/31/2025
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (2,833)	\$ 533	\$ 622	\$ 33,812	\$ 32,134
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts receivable	(1,020)	618	90	651	339
Mortgage interest receivable	6	28	20	(1,026)	(972)
Unamortized service release premium of in-house mortgages	(176)	-	-	(850)	(1,026)
Unearned service release premium	(215)	-	-	-	(215)
Loans held for resale	(1,339)	-	-	-	(1,339)
Mortgage loans receivable	-	1,701	2,273	(44,485)	(40,511)
Due from federal government	(948)	-	-	-	(948)
Interfund receivables	2	-	-	-	2
Interfund payables	-	-	-	(2)	(2)
Accounts payable	(45,353)	2	(1)	84	(45,268)
Accrued payroll / compensated absences	(34)	-	-	-	(34)
Due to primary government	(100)	-	-	-	(100)
Unearned revenue	(6,424)	(118)	-	1,152	(5,390)
Line of credit payable	5,372	-	-	-	5,372
Arbitrage rebate liability	-	-	-	1	1
Investment income included as operating revenue	(1,034)	(284)	(174)	(29,819)	(31,311)
Interest expense included as operating expense	88	-	415	69,336	69,839
Issuance cost included as operating expense	-	-	-	1,393	1,393
Total adjustments	(51,175)	1,947	2,623	(3,565)	(50,170)
Net cash provided (used) by operating activities	\$ (54,008)	\$ 2,480	\$ 3,245	\$ 30,247	\$ (18,036)
Noncash investing, capital, and financing activities:					
Increase in fair value of investments	\$ -	\$ -	\$ 9	\$ 6,411	\$ 6,420
Total noncash investing, capital, and financing activities	\$ -	\$ -	\$ 9	\$ 6,411	\$ 6,420